



Daily Report

LAST ISSUE

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LAST ISSUE

China

FBIS-CHI-96-135
Friday
12 July 1996

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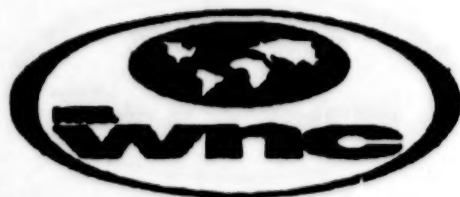
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Daily Report

China

FBIS-CHI-96-135

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General

PRC: Spokesman Comments On Future Hong Kong Law on Subversion

OW1107124096 Tokyo KYODO in English
1211 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 KYODO — China said Thursday that Britain was attempting to blackmail Beijing over the wording on Hong Kong's future law on subversion and treason and vowed to do away with any obstructions that hinder implementation of Hong Kong's basic law.

"The remarks made by some senior officials of the Hong Kong government on legislation on the crime of subversion constitutes blackmail to the Chinese side as well as disrupts the work of the Sino-British joint liaison group," Foreign Ministry Spokesman Cui Tiankai said in a briefing.

Cui was referring to a proposal made by Hong Kong Secretary for Security Lai Hing-ling last Friday to add treason and subversion amendments to Hong Kong's present official secrets act in an attempt to make the act compatible with the basic law and eligible for "localization" to Hong Kong's legal statutes after its reversion to Chinese rule July 1, 1997.

"Any relevant legislation of the Hong Kong Special Administrative Region must be in accordance with the Hong Kong basic law. Any laws that violate the basic law will not be adopted as the law of the Hong Kong Special Administrative Region," Cui warned.

The Hong Kong basic law forms a mini-constitution as to how Hong Kong will be administered after its reversion.

One task of the joint liaison group is to "localize" Hong Kong's present British law and make it compatible with the basic law.

Leading Hong Kong liberals and the Hong Kong press have long expressed concerns, especially over the vagueness of Article 23 of the basic law, that Beijing will manipulate laws to crack down on political dissent and freedom of the press after China takes over.

Article 23 stipulates that Hong Kong "shall enact on its own" laws on subversion and treason against the central Chinese government, while prohibiting "foreign political organizations" from political activities in Hong Kong and from establishing ties with Hong Kong political organizations.

Cui further called on the British to cooperate toward a smooth handover of Hong Kong, adding, "any obstruction stirred up before the year 1997 which sabotages or blocks the realization of the basic law will be removed."

PRC: Spokesman on Visa Exemption for SAR Passports

HK1207090596 Hong Kong WEN WEI PO in Chinese
12 Jul 96 p a2

[Dispatch by trainee reporter Su Kwei-you (5685 6311 06450): "Foreign Ministry Spokesman Says That China Is Actively Making Arrangements for Visa Exemption for Special Administrative Region Passports, and Expects That More Countries Will Grant Visa Exemption"]

[PTS Translated Text for FBIS] Beijing, 11 Jul (WEN WEI PO)— Foreign Ministry spokesman Cui Tiankai reiterated here today: The Chinese Government attaches importance to the matter of visa exemption for Hong Kong Special Administrative Region [SAR] passports. It is making active efforts to make proper arrangements with the countries concerned.

The spokesman stated that the Chinese Government expects more countries will grant visa exemption to Hong Kong SAR passports, because it will conform not only with the interests of Hong Kong SAR residents in the future, but also with the interests of those countries.

With regard to whether holders of British travel documents can return to Hong Kong after 1997, Cui Tiankai stressed: As early as in 1986, the Chinese and British sides reached agreement on the issue of travel by Hong Kong compatriots holding British travel documents after the reversion of the territory to China in 1997.

He emphasized: When Hong Kong compatriots travel abroad with British travel documents after 1997, they may return to the Hong Kong SAR as long as the wording "Holder of the Passport Has Permanent Right of Abode in Hong Kong" is properly stated in the documents.

PRC: Spokesman Urges Taiwan To Return to 'One China' Stand

HK1207081396 Hong Kong WEN WEI PO in Chinese
12 Jul 96 p a2

[Dispatch by trainee reporter Su Kwei-you (5685 6311 0645): "Beijing Sends Word to the Taiwan Authorities: Draw a Useful Lesson From the Story of 'Mending the Fold After the Sheep Is Lost'"]

[PTS Translated Text for FBIS] Beijing, 11 Jul (WEN WEI PO) — Foreign Ministry spokesman Cui Tiankai commented here today on the so-called request recently made by leaders of the Taiwan authorities on contacts with leaders of the Chinese mainland. He says that the idea of cross-strait contacts was first proposed by the Chinese mainland. The most pressing matter at present for the leaders of the Taiwan authorities is not to make

some verbal statements to the outside world. On the contrary, they must take practical action to genuinely return to the stand of one China. The spokesman says that there was a story concerning "mending the fold after the sheep is lost" in ancient China. The Taiwan authorities should learn something from history.

PRC: Spokesman: Lake Visit Deepens Sino-U.S. Relations

OW1207043996 Beijing ZHONGGUO XINWEN SHE in Chinese 1613 GMT 11 Jul 96

[FBIS Translated Text] Beijing, 11 Jul (ZXS) — In commenting on visit to China of Anthony Lake, assistant to the U.S. President for national security affairs, Cui Tiankai, spokesman of the Ministry of Foreign Affairs, said today that the visit has deepened mutual trust and understanding between China and the United States, improved the atmosphere of bilateral relations, and played a positive and useful [ji ji you yi di 4480 2817 2589 4135 4104] role in further improving and developing Sino-U.S. relations.

Cui Tiankai pointed out that in their discussions, the two sides showed a positive attitude toward high-level mutual visits and exchanges at various levels of the two countries and held that this is indispensable for normal and healthy Sino-U.S. relations, and the two sides will keep in touch on this subject.

The spokesman said that, during Lake's visit to China, Chinese leaders President Jiang Zemin, Premier Li Peng, Vice Premier and Foreign Minister Qian Qichen, and State Councillor and Defense Minister Chi Haotian met with him. Liu Huaqiu, director of the Foreign Affairs Office under the Chinese State Council, had an exchange of views with him in an extensive and in-depth manner on Sino-U.S. relations and other issues of common concern.

PRC: Envoy to UN on Achieving Sustainable Development

OW1207010096 Beijing XINHUA in English 2324 GMT 11 Jul 96

[FBIS Transcribed Text] United Nations, July 11 (XINHUA) — A high-ranking Chinese diplomat said today that although progress of varying degrees has been made in implementing Agenda 21, the actions already taken by the world community are far from sufficient.

In a speech to the fourth session of the Commission on Sustainable Development, Ambassador Wang Xuexian singled out several areas that need both attention and actions. Ambassador Wang is acting Chinese permanent representative to the United Nations.

First, he said, the principle of "indivisibility between environment and development" is yet to be reflected.

"The international community is yet to take significant actions to improve the international economic environment to help the developing countries achieve economic growth and enhance their capability for environmental protection," he said.

Secondly, he noted, "new and additional financial resources" remain elusive.

"The proportion of official development aid by the developed countries in their GNP has dropped to the lowest point in 20 years, and there is now a trend of trying to replace 'new and additional financial resources' by 'new and innovative funding mechanism,'" he said.

Among others, he added, are the practices by some countries to use technology as a means to seek economic gains, exercise trade protectionism under the pretext of environment considerations.

Ambassador Wang also pointed out that there is a growing trend of requiring the developing countries to undertake the same obligations as the developed countries, in disregard of the limitations from their low levels of economic and technological development.

"In order to reverse these unhealthy trends in international cooperation in the field of environment and development, the international community should reaffirm the principles and objectives adopted at the United Nations Conferences on Environment and Development and deeply reflect on the experience and lessons in this regard," he said.

He stressed that it is necessary for the international community to reiterate the political commitments made at the Conference on Environment and Development to establish a "new global partnership" to achieve sustainable development on a global scale.

"Historical experience has told us that international cooperation without political will can never succeed," he said.

United States & Canada

PRC: CSA Spokesman: U.S. 'Doping' Accusation Had 'Ulterior Motive'

OW1107154196 Beijing XINHUA in English 1523 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA/OANA) — A spokesman of the Chinese Swimming Association (CSA) Thursday lashed at the American Broadcasting Company (ABC) for its accusation against Chinese swimmers of systematic doping.

The spokesman said that the program, which was shown on July 10, shortly before the opening of the centennial Olympic Games, had an ulterior motive.

Anti-doping is a tough, complicated and worldwide issue for the world sports and requires long-term and continuous efforts of all the international sports federations, the spokesman said.

Though the International Olympic Committee (IOC) and international sports federations had taken serious measures to cope with the issue, the spokesman said, doping cases were discovered in many countries, including in those world's sports powerhouses.

The spokesman said that the CSA had been a firm supporter of the FINA [expansion unknown] rules and regulations against the use of drugs, and strictly followed the anti-doping policy of "strict prohibition, strict testing and severe punishment" set up by the Chinese Olympic Committee (COC). As to those [who] tested positive, the CSA has never hesitated in imposing severe punishments on the offenders and their coaches, and the punishment had been even more severe than those set up by the international federations.

On the contrary, the spokesman said, some foreign associations had failed to take a firm stand against doping issues and even let their drug offenders take part in Olympic trials. Under such circumstances, people had to ask why the ABC deliberately neglected those facts and, instead, broadcast such a program.

The spokesman said that the centennial Olympic Games would be a showpiece of unity of the Olympic family, and the ABC program broadcast at such a time would harm the healthy atmosphere of the Games and brutally trample the Olympic spirit.

PRC: Beijing Radio Broadcasts Anthony Lake Visit 'Roundup'

OW1107135796 Beijing China Radio International in English to Western North America 0400 GMT 11 Jul 96

[From the "News Roundup" program]

[FBIS Transcribed Text] The Assistant to the U.S. President For National Security Affairs Anthony Lake has concluded his talks with senior Chinese leaders in Beijing. Both sides have expressed the willingness to establish a stable and constructive bilateral relationship. (Xu Huazheng) has this news roundup:

National Security Adviser Anthony Lake arrived in Beijing on Saturday [6 July]. He is the most senior U.S. official to visit China since 1994. Lake notes that his visit comes at an important and hopeful time in the develop-

ment of U.S.-Chinese relations. He mentioned a recent encouraging event: the U.S. House of Representatives approved by a great margin the unconditional renewal of China's most-favor-nation trading status. The U.S. official said that one of the key objectives of his visit is to explore ways to hold a strategic dialogue with China. Of special interest is how to establish close cooperation among large nations in the 21st century.

On Tuesday [9 July], top Chinese leaders met with Lake including President Jiang Zemin, Premier Li Peng, Foreign Minister Qian Qichen, and Defense Minister Chi Haotian. Jiang Zemin said China and the United States show new Sino-U.S. relations based on a strategic attitude that will guide relations toward the 21st century. This will help establish a healthy, sound, and stable relationship between China and the United States. He pointed out that achieving this goal is not only in the interest of both countries and their peoples but also conducive to working together to create a better world in the next century. Lake said he agreed with Jiang Zemin's proposed principle for U.S.-China relations, namely, strengthening trust, decreasing conflict, developing cooperation, and avoiding confrontation. The U.S. National Security Adviser agreed that if both countries abide by this principle they can establish normal and constructive relations. During a meeting with Anthony Lake, Chinese Premier Li Peng has said that China and the United States have every reason to get along. He points out that the Sino-U.S. dialogue at various levels will improve understanding and prevent misunderstanding. When speaking about economic cooperation, the Chinese premier has said the development of Sino-U.S. trade ties has been maintaining a good trend and concluded that more and normal trade relations are in the best interests of both countries. He also said the two governments should create a good political environment to restore cooperation in business. Lake has expressed his admiration for China's unprecedented economic progress, which is creating a great opportunity for U.S.-China trade cooperation. He notes that Washington would like to hastily conclude development of bilateral trade relations.

PRC: RENMIN RIBAO Criticizes U.S. Democracy

OW1107104296 Hong Kong AFP in English 1024 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (AFP) — American democracy is based on "oppression" by a "minority" and its parliamentary system is meant to benefit only the rich, the People's Daily (RENMIN RIBAO) said in an editorial Thursday.

Parliamentary democracy, exemplified by the United States, is characterised by an alternance of parties which

are "bourgeois parties," the Communist Party organ said, adding: "The bourgeoisie, through these parties, corners and controls power."

The editorial entitled "Distinguish between socialist democracy and Western parliamentary democracy" took up the theme of remarks made by General Secretary Jiang Zemin earlier this month on the occasion of the 75th anniversary of the party.

The parliamentary system "needs money to oil its wheels," for the sole purpose of advancing "oppression by a minority class," the article said, invoking Marxist-Leninist tenets.

However, at a press briefing Thursday, foreign ministry spokesman Cui Tiankai avoided repeating the People's Daily's views but defended its right to voice them.

"The Chinese people have the right to free speech and I think that the 57 million party members too enjoy the right. They are free to air them in newspapers," Cui said.

Cui meanwhile hailed the success of U.S. National Security Advisor Anthony Lake's Beijing visit this week and gave firm backing to a future Sino-American summit.

Lake's three-day visit, which ended Wednesday, helped to enhance mutual trust and understanding, improve the general climate of bilateral relations and made a "positive and useful contribution to the further improvement and development of Sino-US relations," Cui said.

The People's Daily editorial recalled that patriarch Deng Xiaoping had rejected "Western" style division of powers among the legislature, judiciary and the executive.

It also accused the United States of using "democracy" and "human rights" as "hegemonistic" tools.

It cited the case of U.S. military intervention in Panama, "meant to capture the strongman (General Manuel Noriega) but under the pretext of defending 'democracy,' 'freedom' and 'human rights'."

Such "hegemonism" is in a "decadent phase" and is "meeting with increasing opposition in countries such as Malaysia, Indonesia, Singapore and China," the People's Daily said.

PRC: McDonnell Douglas Opens Up Aircraft Spare Parts Market

OW1007171896 Beijing ZHONGGUO XINWEN SHE in English, 1430 GMT 10 Jul 96

[FBIS Transcribed Text] Beijing, July 10 (CNS) — The opening ceremony of a spare parts service centre in

Beijing, which is funded by China Aviation Equipment Company and McDonnell Douglas, was held at Beijing International Airport recently.

Mr. Fu Luren, the head of McDonnell (China) Aircraft Company, presided over the ceremony.

"The setting up of the centre shows that McDonnell Douglas regards China as a strategic market and McDonnell Douglas will continue to be the main supplier of commercial aircraft in the world," he said.

After opening of the service centre, McDonnell Douglas will provide the first of the 11 MD-90 aircraft ordered by China North Airline Company.

The centre will provide technical services for nine MD-90 aircraft owned by the China East Airline Company, and also six MD-11 and 39 MD-80 aircraft which are in operation on the mainland. At the same time, it will also provide technical services for MD aircraft owned by overseas airlines that are travelling to and from China.

The centre provides a 24-hour service, 365 days a year. Airlines can get their ordered spare parts from the centre within just a few hours.

Northeast Asia

PRC: CPAFFC Marks 35th Anniversary of Joint Sino-DPRK Treaty

OW1107153496 Beijing XINHUA in English 1444 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — The Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and China-DPRK Friendship Association held a grand reception this evening to commemorate the 35th anniversary of the signing of Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance.

Present were Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress, and Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

Chairman of CPAFFC Qi Huaiyuan, and visiting DPRK Vice-Premier Kim Yun Hyok gave speeches at the reception.

Qi said that the signing of Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance was an event of great significance in the history of Sino-DPRK friendly relations.

Ever since, the peoples of the two countries have supported each other and worked together in the cause of building socialism.

He added that the exchanges and cooperation in various areas between the two countries have been ever-expanding, and contacts between the two peoples have also been on the rise.

According to Qi, a comprehensive application of the bilateral friendship, cooperation and assistance, is not only in the essential interests of the two peoples, but also plays an important role in keeping peace and stability in Asia and the world at large.

"We believe that whatever changes take place in international spheres, the two peoples will, as always, help and support each other, and through their joint efforts push forward the cause of building socialism in the two countries," Qi noted.

The friendship between the two countries was started and nurtured by the previous generations of leaders of both countries, and it is deep-rooted in the hearts of the peoples.

He said the traditional friendly ties between the two parties and countries have been consolidated and developed in recent years, adding that CPAFFC and China-Korea Friendship Association are willing to work together with the Korean people, in promoting Sino-DPRK traditional friendship and cooperative ties.

Kim Yun Hyok, who is currently visiting China heading a friendship delegation, highly praised DPRK-China friendship in his speech, saying that the treaty made a significant contribution to enhancing the two country's socialist construction, and helped keep peace in Asia.

The vice premier said that in the current circumstances, the celebration of the 35th anniversary of the treaty is of great importance to the two sides, stressing his belief that the treaty will continue to make a contribution to peace and stability.

Attending the reception were DPRK's ambassador to China, Chu Chang Jun, the delegation of DPRK-China Friendship Association, led by Kim Yong Ik, deputy chairman of the central committee of the association and vice minister of Public Health of DPRK.

PRC: Qian Qichen Meets Social Democratic Party of Japan Visitors

OW1107143696 Beijing XINHUA in English
1347 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen met a delegation from the Social Democratic Party of Japan (SDPJ), headed by its Secretary-General Kanju Satou, this evening.

Extending a welcome to the delegation in Beijing, Qian said that the SDPJ had made major contributions to the normalization of Sino-Japanese relations, and to the friendship between the two countries, which the Communist Party of China will never forget.

The CPC hopes to make joint efforts with SDPJ to bring Sino-Japanese friendship to a new height in the years to come, added Qian, also a member of the Political Bureau of the Central Committee of the CPC.

Qian went on to say that China and Japan, starting from the long-term interests of the two countries, should hold the steering wheel of the advancement of the two countries' relationship, and press for long-term, healthy and stable Sino-Japanese ties, which would also serve the world peace, stability and development.

"The next year will be the 25th anniversary of the normalization of Sino-Japanese ties, and we should strive for a better Sino-Japanese relationship in the coming 25 years on the basis of summing up the experience of the last 25 years", Qian added.

Satou told Qian that the SDPJ attaches importance to its friendly exchanges with the CPC, and hopes to further promote the healthy development of the two countries' relations through the exchanges, making contributions to peace and stability in Asia and the world as a whole.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, held work talks this afternoon with Satou, who arrived in China today on a visit at the invitation of the CPC.

Political & Social**PRC: Xinjiang Crackdown on Separatists; 18,000 Said Arrested**

*HK1207064196 Hong Kong HONGKONG
STANDARD in English 12 Jul 96 p 1*

[By staff reporters]

[PTS Transcribed Text for FBIS] Chinese authorities had arrested 18,000 Uygur Muslim separatists and their supporters in Xinjiang province in the past three months, an exiled Uygur opposition leader said yesterday.

Yusupbek Mukhlissi, leader of the Uygur opposition United National Revolutionary Front (UNRF), said the communist government began a crackdown on the separatists in April after it signed a border security pact with four ex-Soviet republics—Russia, Kazakhstan, Kyrgyzstan and Tajikistan. Mr Mukhlissi said the figures for arrests were from "Chinese police contacts."

The Uygurs are fighting for independence in Xinjiang, in northwestern China, which is populated by 10 million Uygurs, as well as Kazakhs and Kyrgyz.

Li Kangning, a member of the Xinjiang Autonomous Region Committee and chief of the region's communist party propaganda department, denied the massive crackdown. He said the region was quite stable and seeing its best time in relations with the neighbouring central Asian nations, including Kazakhstan, following a visit by President Jiang Zemin.

Wang Qingxian, a government spokesman of Yili Autonomous District, said everything was normal and trade was flourishing across the borders.

Mr Mukhlissi was speaking in the Kazakhstan capital Almaty, where the governments of Kazakhstan and China last week warned against any move towards secession.

Uygur activists who arrived in Almaty late Wednesday said 8,000 people had been arrested in Urumqi, in Kuldzha and the oasis of Turfan, in the north near the Mongol frontier.

They quoted police as saying a further 10,000 people were arrested in the village of Aqsu.

The mass round-ups had been carried out by Chinese army and paramilitary groups. The prisoners had been taken to camps around the province.

PRC: Li Peng Inspects Heilongjiang 30 Jun-5 Jul

*SK0907000596 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 6 Jul 96*

[FBIS Translated Text] When inspecting Heilongjiang recently, Li Peng, premier of the State Council, pointed

out that Heilongjiang, an important industrial base and the country's biggest storehouse, had a glorious past, and is still making important contributions to the country. Although it is confronting some problems in the process of developing socialist market economy, Heilongjiang will certainly restore the magnificence and blaze new trails as reform and opening up deepens.

From 30 June to 5 July, Premier Li Peng and Vice Premier Jiang Chunyun, accompanied by Yue Qifeng, secretary of the Heilongjiang Provincial Party Committee, and Tian Fengshan, governor of the provincial government, inspected Heilongjiang's Sanjiang Plain, Shuanyashan Mine, Hebei Forest Center, Daqing Oil Field, and Harbin state-owned enterprises one after another.

The development of the great northern wilderness was the focal point of Premier Li Peng's inspection of Heilongjiang this time. Through the hard work of 100,000 land reclamation workers in the fifties and of 1 million young intellectuals in the sixties, the great northern wilderness has become a great northern storehouse, with annual grain yields of 10 billion jin and an ability to provide more than 7 billion jin of commercial grain. The entire great northern wilderness is full of vitality.

Seeing these changes, Premier Li Peng was very excited. Premier Li Peng pointed out that it is imperative to continue to attach primary importance to agriculture, because it is the most important task of Heilongjiang's economic work. He held: The fundamental prospects for agriculture lie in carrying out the two basic changes. Rich with land resources, Heilongjiang has great potential for grain production. As long as it can further change the extensive type of management, focus efforts to transform medium- and low-yield land, increase the per-unit yield of grain, and develop the land suitable for cultivation, it will be possible to add 15 billion jin to the grain yield in the Ninth Five Year Plan period.

Premier Li Peng attached great importance to rejuvenating large and medium-size enterprises, and made a special trip to one of our state's three largest bases producing power plant equipment — the Harbin Electrical Machinery, Boiler, and Gas Turbine Plant. During his stay in Harbin, Premier Li Peng also invited responsible persons from nearly 20 enterprises to a forum. Li Peng held: To successfully run a business, it is necessary to have a good mechanism and a good leading body, so as to use scientific and technological advances to develop new products and mobilize workers' initiative. He stressed that enterprises face intensifying competition, and so should firmly embrace an awareness of competition and the market concept. Every business

manager should promptly master market information, have a good grasp of the market situation, and continue to explore markets.

Premier Li Peng was very concerned about Heilongjiang's petroleum, coal, and forestry industries. In Daqing, he went to visit workers at a work site where wells were being sunk and oil extracted. He also visited the Iron Man Memorial Hall and the petroleum museum, listening to work reports from the Daqing city party committee and government and the Daqing Petroleum Management Bureau. He held: Daqing is China's biggest oil field, and it has remained high and stable yielding for 20 years under complex geological conditions. It is an arduous job. The spirit of Daqing is the tremendous spiritual wealth for socialist construction. In the Ninth Five Plan period and early in the next century, it is imperative to maintain high and stable yields. He held: Continuous and stable production at Daqing Oil Field is the greatest contribution to the country.

At the Baoshan coal mine in Shuanyashan, Li Peng visited and comforted workers engaging in production. He held: Your work is painstaking. Although there are some problems now, reform of the coal sector has achieved initial results. A turning point for resolving difficulties and developing has emerged. Under the new situation of improved mechanization, it is imperative to divert surplus personnel in a timely manner. In light of local conditions, we can encourage some people to engage in diversified economy while some engage in farm work.

Li Peng worked at the Harbin Textile and Light Industry Plant during the liberation war period. Through the hard work of all staff members and workers at the plant and through reform and opening up, the old business radiates new vitality. Premier Li Peng was very happy at seeing the changes at the plant. He hoped all workers would carry forth the good tradition, depend on technological advances, explore markets, and provide more and better products for society.

During his stay in Heilongjiang, Li Peng also visited Harbin Polytechnic University, joined a forum of grass-roots party organs marking 1 July, and listened to work reports from the provincial party committee and government. He fully affirmed Heilongjiang's various work results. He held: In these recent years, Heilongjiang accelerated economic development, improved people's lives, increased grain yields, and unrelentingly deepened reform and opening up. The general momentum is to advance. He hoped that the spiritual civilization should also be stepped up while paying attention to material civilization.

FRC: Political Bureau Member Li Tieying Inspects Shandong

SK0907055496 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 8 Jul 96

[FBIS Translated Text] During his recent investigations in Shandong Province, Li Tieying, member of the political bureau of the CPC Central Committee and state councillor, pointed out that achieving the reform of state-owned large enterprises under the socialist market economic conditions is a new, great project.

In Jinan, Li Tieying heard the work report of Shandong Province delivered by Zhao Zhihao, secretary of the provincial party committee. He fully affirmed Shandong Province's achievements in reform, opening up, and economic construction, as well as its successful experiences and outstanding achievements in reforming small and medium enterprises.

He maintained: From now on, Shandong Province should bravely do pioneering work and blaze new trails in reforming state-owned large enterprises in an effort to set a good example for the entire country.

Li Tieying pointed out: The party's leadership over enterprises and its political role in guiding enterprises cannot be shaken or changed. Otherwise, our party's role as a ruling party will directly be affected. Enterprise party organizations share the same interests with the broad masses of the staff and workers and fundamentally stands for the interests of the broad masses of the staff and workers. Party organizations of state-owned large enterprises are charged with an important task of ceaselessly developing and expanding the state sector of the economy.

Li Tieying stressed: To achieve the reform of state-owned large enterprises, we should firmly remember the party's goal of serving the people wholeheartedly, rely on the working class, and fully mobilize the broad masses of workers' enthusiasm and creativeness. This is one of the party's traditions and advantages.

Li Chunting, deputy secretary of the provincial party committee and governor of the provincial government; Li Wenquan and Chen Jianguo, deputy secretaries of the provincial party committee; Song Fatang, deputy secretary of the provincial party committee and vice governor of the provincial government; and Zhang Zongliang, standing committee member of the provincial party committee and secretary general of the provincial party committee, attended the report meeting.

After visiting Tai Shan and [words indistinct] in Taian and Qufu, famous cultural legacies in the world, he expressed his opinions on strengthening the protection

and management of ancient relics and on the setup of a legal system governing ancient relics.

PRC: Li Tieying Conducts Inspection of Shandong 9-10 Jul

SK1207045296 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 11 Jul 96

[FBIS Translated Text] Li Tieying, member of the CPC Central Political Bureau and State Councillor, inspected localities such as Qingdao and Zhucheng and pointed out that it is imperative to study Comrade Jiang Zemin's important speech on state-owned enterprise reform, to consolidate faith, to pay firm attention to implementation, and to accelerate the reform of state-owned enterprises.

From 9 to 10 July, Li Tieying, accompanied by Li Chunting, deputy secretary of provincial party committee and vice governor, and leaders in charge of Qindao and Weifang, conducted an inspection by going deep down to the Qingdao Beer Brewery No. 2, the Haier Group, the Zhucheng Foreign Trade Group Company, the Zhucheng Automobile Plant, and the (Sida) Insulating Material Co. Limited.

He fully affirmed Shandong's results in state-enterprise reform. Li Tieying pointed out that the speech by Comrade Jiang Zemin on systematically reforming state-owned enterprises illustrates the basic principle and policy towards enterprise reform, which should be conscientiously carried out by us. He held: Establishing the modern enterprise system is the direction of enterprise reform in the PRC. On this issue, it allows neither the least doubt or vacillation. It will no longer be impossible for enterprises to live on waiting, relying, and begging for help. Instead, they should abandon their illusions and improve themselves in a down-to-earth manner.

Li Tieying fully affirmed the breakthrough achieved by and experiences obtained from Zhucheng's reform of medium and small enterprises. He held: The direction of reform of medium and small enterprises in Zhucheng is correct and in accordance with the central authority's basic principle and policy toward enterprise reform. The results are notable. He emphasized: To judge if reform succeeds, we should insist on the principle of three advantages, uphold that practice is the criterion to examine truth, and encourage bold experiments and exploration. It is normal to have disputes over new things; however, we should insist on having no disputes. Having no disputes is the best way to resolve disputes.

Li Tieying held: The shareholding cooperative system is a good form for the reform of state-owned small and collective enterprises. It is not a transition, but an important part of public ownership. Henceforth, we

should actively develop and explore the practice of public ownership under the market economy system.

Li Tieying pointed out: To successfully run state-owned enterprises, we should focus on backbone and pillar enterprises, and should cultivate an aircraft carrier that can survive in market competition. He wished for Shandong to achieve success in this task so to provide a good example for enterprises nationwide.

Li Tieying also emphasized that it is imperative to strengthen the enterprise contingent and quality of workers, which are the most important things at the moment. In the process of enterprise reform, we should bring into play the core function of party organizations, depend on the working class, and fully mobilize the initiative and creative activities of staff members and workers in order to deepen the reform of enterprises.

PRC: Central Military Vice Chairman Inspects Henan 24-25 Jun

SK1007020596 Zhengzhou HENAN RIBAO in Chinese 26 Jun 96 p 1

[FBIS Translated Text] Liu Huaqing, Standing Committee member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, made an inspection tour of Henan Province from 24 to 25 June. Accompanied by provincial party and government leaders Li Changchun, Ren Keli, Li Chengyu, Wang Quanshu, and Wang Youjie, Liu Huaqing travelled to Zhengzhou Commodity Exchange Center, Zhengzhou High and New Technology Industrial Development Zone, and Zhengzhou City Luyun Residential Mini-Zone to inspect and learn about their construction and development situation.

During his stay in Henan, Liu Huaqing listened to the work report delivered by Li Changchun, secretary of the provincial party committee, on behalf of the provincial party committee and government. Then, he fully affirmed Henan's achievements in reform, opening up, and building of the two types of civilization. He also encouraged the province's party and government leading cadres at all levels to continuously hold high the banner of "forging ahead in unity and making Henan flourish" and thereby seize the current opportunity to deepen reform, expand opening up, promote development, maintain stability, and fulfill the strategic objective of "being high in economic growth and low in population growth."

Liu Huaqing said: Henan has made very big progress not only in agriculture and industry, but also in building the spiritual civilization. Now, the agricultural situation as a whole is not bad. Although the province experienced quite a few natural calamities, its agriculture has still

witnessed relatively large progress. This is a very great contribution. We hope that Henan will make continued efforts with a view to climbing to new heights during the Ninth Five-Year Plan period.

Liu Huaqing stressed: Agriculture and rural work is an essential matter. Being a big agricultural country, China has always attached extremely great importance to agriculture in building socialism in the past scores of years. Additionally, 900 million people out of China's 1.2 billion population reside in rural areas. So, if we fail in rural construction, urban construction will be affected. Therefore, we have emphasized strengthening economic construction, grass-roots organizational construction, and spiritual civilization construction in rural areas. Now, some villages have developed in a relatively good manner, rural society is comparatively stable, and 10 red banners have emerged on the agricultural front of Henan. A major agricultural province, Henan should go all out to develop agriculture, particularly grain production, in an effort to provide enough food for the people. At the same time, the province should develop an agricultural commodity economy and engage in grain reprocessing in order to turn agricultural products into commodities. Here lies a great potential. To settle down the surplus labor force in rural areas, we are still required to successfully operate township and town enterprises as well as small cities and towns.

Liu Huaqing added: Rural areas should pay attention to building grass-roots organizations, with party branches as the core, and to building the ranks of party members and cadres. Only when we achieve success in building this foundation can our country be stable.

Liu Huaqing said: In recent years, Henan has done a good job in strengthening the unity among the leading bodies of the provincial party committee and some other major departments. The unity between the army and the government and between the army and the people has been strengthened as well. Successfully leading a work body and acting as a good leader, one must possess the extremely high art of leadership, just like playing the piano. What is important is that leaders should be honest in work style, upright in thinking, good at listening to and focusing the opinions of the masses, fair in hiring personnel, set an example for others, and appropriately handle the relationships among different sectors. This requirement should be applied to leaders of both localities and the army, from the provincial and city authorities to village party branches. If a leader manages its party branch well, the situation in his village will be something different, as will the mood of the masses. Once there are difficulties and problems, the masses in his village will be able to overcome and resolve them through concerted efforts and a united struggle.

Liu Huaqing pointed out: Henan's development idea in recent years has been identical to the ideological line of emancipating the mind and seeking truth from facts that was advocated by Comrade Deng Xiaoping. It is precisely because of your endeavor in emancipating the mind, changing ideas, and seizing opportunities that you have made such big headway. Without economic strength, scientific and technological strength, national defense strength, and the unity and struggle of all the people in the country, a country like ours would have no position in today's world. Therefore, we should further emancipate the mind and change ideas. We should persistently build our province through our own efforts, and at the same time seize the opportunity to import advanced technology and funds from abroad in an effort to enhance ourselves. In short, to study well Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we should have a firm grip on implementing policies and stick to the party's basic line for 100 years, in line with the ideological line of Comrade Deng Xiaoping.

Regarding building the spiritual civilization, Liu Huaqing stressed: The truth of "handling both economic construction and spiritual civilization and being tough with both" is very profound. When economic construction is boosted and people's living standards improve, ideology, morality, and culture will be enhanced correspondingly. Hence, we should on the one hand firmly grasp reform and opening up and develop the material civilization, and on the other hand grasp the building of the spiritual civilization and continuously enhance people's ideological and moral levels.

During his stay in Henan, Liu Huaqing also visited 90-year-old Comrade Dai Jiying, one of the founders of the 25th Red Army.

PRC: Crackdown on Those Taking, Offering Bribes Intensifies

OW1207103596 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1314 GMT 11 Jul 96

[FBIS Translated Text] Hong Kong, 11 July (ZTS) — A few days ago, Zhang Siqing, procurator general of the Chinese Supreme People's Procuratorate, urged procuratorial organs at all levels of the country to focus on investigating and dealing with the crime of taking bribes while placing great stress on investigating and dealing with those offering bribes. He said: To gain the maximum personal gain, now some people offer bribes and weave a web of personal relations and clout everywhere. This offering of bribes involves numerous persons and is highly corrosive to state working personnel. It should be investigated and dealt with in earnest.

It has been reported that during the operations against corruption and taking bribes in recent years, there was a folk rhyme, which reads "Bribe takers are kept in jail while bribe offerers are at large," spreading far and wide among the masses of the people. Therefore, procuratorial organs at all levels should not only rigorously investigate and deal with those taking bribes but also intensify the crackdown on those offering them. In 1995, localities throughout the country placed 1,173 bribe-offering criminal cases on file for investigation and prosecution. In the first half of 1996, the procuratorial organs in Sichuan alone placed 26 bribe-offering criminal cases with 32 persons involved on file for investigation and prosecution, an increase of more than 100 percent over the same period last year, of which 13 cases involved 10,000 yuan or more in bribe each. Offering bribes mostly happened in such activities as commodity marketing, credit financing, and offering capital construction contracts.

PRC: Lax Measures Cited for Continuing Corruption

96CM0314A Beijing FAZHI RIBAO in Chinese
28 Mar 96 p 7

[Article by Yang Shuwen (2799 2579 2429): "Why Do Corruption and Bribery Keep Running Rampant Despite Repeated Prohibitions"]

[FBIS Translated Text] Firsthand information from anti-corruption departments shows that wanton, outrageous violations of the law, despite unremitting efforts to curb such crimes, have become commonplace in the tide of corruption and bribery nowadays.

—Insufficient strength in the operations to crack down on corruption and bribery is one of the contributing factors to the failure to root out such crime. Intensifying the operations against corruption and bribery has been a topic which we have often touched on both at meetings and in documents. But what is the actual case? In the mid 1980's, a charge of corruption and bribery that involved illicit gain of more than 100,000 yuan would most likely end up with the death sentence. Nowadays, in the 1990's, those charged with corruption or bribery that involves illicit gain of as much as 300,000 yuan may not necessarily be sentenced to death. In some cases, culprits who have gained several ten thousand yuan by corruption or bribery are sentenced merely to a penalty with a reprieve or a few years imprisonment; and cases are rare where properties of those convicted of corruption and bribery are confiscated. So it has become fashionable that corrupt elements will risk some political loss in pursuit of economic gain, and a convict from the legal point of view might still be regarded as a "capable person" in business circles.

Punishment has not served as a weapon powerful enough to fatally crack down on criminal elements. The authorities have not tried hard enough to spot and investigate cases of corruption and bribery. Some cases have not been reported. Investigation into some cases just cannot be started, or no evidence can be obtained. The practice of substituting a fine for punishment, the phenomenon of a single case being handled by several departments, local protection, and departmental protection, have left quite an amount of illicit money unexposed, and this has induced criminal elements to run the risk in committing crimes of corruption and bribery. The existing investigation facilities and the public involvement in anti-corruption operations are not strong enough to form a social environment ensuring that every act of corruption and bribery will definitely be exposed and punished by law. The fact that the potential benefits overtake the risk of losses involved in acts of corruption is another objective factor that encourages opportunists to take the risk and seek illicit gains in defiance of the law.

—Insufficient supervision and restraint in the exercise of power is the second contributing factor to persistent, rampant corruption and bribery. In this country, the people's congresses and their standing committees at all levels are the highest organs of power and supervision. To be sure, this supervision by the people's congress is extensive and authoritative. But, as determined by its attributes, it is generally a supervision in principle which is not expected to be applied instantly and persistently to specific affairs. The people's procuratorate, the state supervisory organ, and the party discipline inspection department play the supervisory role after the event, with a time lag. Supervision by the public and the media is achieved by their overseeing the empowered supervisory organs exercise their supervisory power, so it lacks the coercive force. The power of allocating human, financial, and material resources to supervisory organs is held by the local government. So the supervisory organs cannot exercise their supervisory power independently, nor can they really apply the power to supervising the operation of specific affairs. In some departments and units, power is not delegated according to the principle of balance of powers, and overcentralization has made it impossible or infeasible to supervise the operation of an organ.

—Poor preventive work is the third contributing factor to persistently rampant corruption and bribery. The current legal system has not clearly stipulated what responsibilities an organization has to assume for preventing corruption and bribery, and who is to take care of a case and how he will take care of it if the organization fails to assume responsibilities for preventing corrup-

tion and bribery. In some organizations, cases of corruption and bribery take place every year; some units simply do not report such cases; some do not investigate them. But people in charge of these units never get fired. Some people who have been convicted of corruption and bribery may become soon afterward plant directors, company managers, or financial controllers somewhere else. Some administrative and law enforcement departments trade out their supervisory power for money, failing to report or promptly pass cases of economic crimes to the procuratorial sector for processing. As a result, criminal elements involved in corruption and bribery remain at large.

—Some cadres have nurtured an incorrect outlook on life and values, while their organization has been slack in ideological and political education. This is the fourth factor contributing to persistently rampant corruption and bribery. In reality, unfair distribution of income and money worship have caused mental imbalance on the part of some cadres, especially some leading cadres holding real power. Having seen some people whose social standing and qualifications were inferior to theirs rising as nouveaux riches amid the great tides of market economy, spending money lavishly, leading a comfortable life, and being very much admired by the public, some cadres begin to doubt whether the principle of serving the people they have upheld for decades is now outmoded, and they begin to feel sorry for the many benefits and opportunities they have missed because they stuck to principle. So they begin looking for ways to "rent out" their power in defiance of the law, and get used to corrupt phenomena in the real world. They are no longer indifferent to pursuit of personal interests, but begin to embrace the idea. Finally they embark on criminal adventures step by step. These people's outlook on life and values have been changed by bourgeois pragmatic ideas. They believe that "life is no more than a dream," that "it is not worth not seizing every opportunity to seek personal benefit," and that "one's power will be forfeited if one just lets it expire without making use of it for personal gain." Meanwhile, some units have been slack in carrying out ideological and political education among cadres. As a result, the ideas that "money is everything" and that "power must be traded out in exchange for benefits are prevalent in some departments. They are pursued by some people as behavioral principles in performing official duties, providing the ideological basis for these people to embark upon the criminal adventure of corruption and bribery.

—Unfair distribution, the wide gap between the rich and the poor, and low income for civil servants have induced some civil servants to "rent out" their power for personal

interests in defiance of the law, and to commit the crimes of corruption and bribery. This is another important contributing factor to persistent, rampant corruption and bribery.

The trend of rampant corruption and bribery despite unremitting efforts to fight such crimes is very much a worry which gives much food for thought. How to curb the spread of crimes that involve corruption and bribery is a real and grave challenge to the Chinese people today. The grim situation demands that we enhance our ability for discovering and investigating crimes and to step up operations against corruption and bribery. At the same time, it is necessary to further speed up the reform of the political structure, improve the power supervision mechanism, and intensify supervision. It is necessary to further strengthen ideological and political education, promote vocational ethics and enhance moral integrity among civil servants, and ensure that every civil servant will steadfastly adhere to the correct outlook on life and values, and will conscientiously resist corruption.

PRC: LEGAL DAILY Explains Amendment to Criminal Law

96CM0314B Beijing FAZHI RIBAO in Chinese
25 Mar 96 p 1

[Commentator's article: "A Major Reform of China's Criminal Procedure Law"]

[FBIS Translated Text] The "Decision on Amendment to the PRC Criminal Procedure Law" adopted by the Fourth Session of the Eighth National People's Congress marks a major event in the development of our country's legal system. The current amendment to the Criminal Procedure Law is a major reform of our country's criminal proceedings system and judicial system, which is of important significance to safeguarding social order, protecting legitimate rights and interests of citizens, and ensuring the smooth progress of reform, opening up, and socialist modernization.

The Criminal Procedure Law promulgated in 1979 was the PRC's first criminal procedure law. This law, since its coming into force, has been playing an important role in fighting crimes, safeguarding social order, protecting the citizens' legitimate rights and interests, and perfecting the socialist legal system. Over the past 16 years, our country has achieved great development in democracy and the legal system, which has in turn set forth higher requirements for the procedures in criminal proceedings. In addition, criminal offenses are becoming more and more complicated, and the environment for law enforcement has changed as well. Therefore, we need to sum up experience, revise and supplement the Criminal Procedure Law in the light of our actual needs

for fighting crime and protecting the citizens' legitimate rights and interests.

The amended Criminal Procedure Law will help us more efficiently fight crimes and punish criminal elements. The Criminal Procedure Law is a procedural law on how to hold criminal elements responsible for their criminal acts. To meet the needs for fighting crime, the amended Criminal Procedure Law has incorporated some major alterations with a view to helping the judicial sector more accurately and efficiently fight crime. For example, as a part of the practice of keeping suspects in custody for interrogation, those procedures which are considered necessary indeed for anticrime operations have been incorporated into the Criminal Procedure Law, as a supplement to the stipulations defining the conditions for detention and arrest, with a view to facilitating the processing of more complicated cases of gang crimes, repeated crimes, and crimes committed by migrant criminals; so the practice of keeping suspects in custody for interrogation, as a separate administrative process, was discarded accordingly; some additional provisions have been adopted to expressly define the conditions for and time limit of release on bail pending trial or on parole under surveillance, to provide a guide for those who are released on bail pending trial or on parole under surveillance, and to describe the legal consequences of violation of this guide; in order to more efficiently fight major crimes which may severely endanger and have great impact on the society, for cases where suspects may be liable to a penalty equal to or heavier than 10 years imprisonment, a procedure of extending the time limit for detention during investigation is added to the Criminal Procedure Law; and additional provisions are incorporated to enable the application of the summary procedure to cases which may finally end up merely with a light penalty, such as imprisonment of three years or less, forced labor under detention, release on parole under surveillance, or fine; to cases suitable for public prosecution, with clear and sufficient evidences; to cases which are not to be heard unless legal proceedings are started; and to minor criminal cases raised by victims and supported by evidences. All these additional provisions will help accurately and promptly fight crimes and punish criminal elements.

The amendment to the Criminal Procedure Law has provided further protection of the citizens' legitimate rights and interests. For example, in the chapter of General Principles, it is clearly provided that no one shall be regarded as guilty unless convicted by the people's court according to law. In this connection, all culprits before committal for trial should be referred to as "suspects;" that the process of summons and detention of a suspect shall not last longer than 12 hours; that the time

for the lawyer to intervene in the criminal proceedings is advanced with a view to truly safeguarding the defendant's right to debate; and that in case evidence is not enough to convict the defendant, a ruling shall be made to acquit the defendant on the ground of insufficient evidence in support of the charge. On the other hand, the protection of the victim's rights and interests has been extended. For example, it is provided that the victim, as a contesting party, has the right of challenge, the right to nominate a process attorney, and the right to request the people's procuratorate to lodge a protest against a court judgment of the first trial; and that the victim may lodge legal proceedings directly with the people's court, if there is enough evidence to justify an action to affix the defendant's criminal responsibilities for infringement upon the victim's personal and property rights and interests, and if the public security and procuratorial sectors simply do not take any action in this regard. In addition, the amended Criminal Procedure Law has incorporated provisions on protecting the safety of witnesses and their close relatives. These provisions have fully embodied the important principle of safeguarding litigant participants' right to legal proceedings, which is provided by law.

The amended Criminal Procedure Law has incorporated more definite, concrete, and operable provisions on the division of labor, coordination, and checks and balances among the public security, procuratorial, and court systems. For example, it is provided that the procuratorate's investigative operations shall be confined mainly to crimes committed by civil servants abusing their power. With this provision, procuratorial organs can concentrate their attention on cases of corruption and bribery. In this connection, the procuratorial sector's role in legal supervision has been strengthened. The amended Criminal Procedure Law provides that, for minor criminal cases which do not deserve a penalty or which are qualified for a remission of penalty, the people's procuratorate may simply decide not to initiate a prosecution, thus the old procedure of exemption from prosecution is no longer applicable. It is also provided that the court hearing process will be reformed to give full play to the roles of the public prosecutor and the defender in court hearings, as well as to the function of the collegiate bench; thus the old, unsound court hearing process is discarded. By the old process, a conclusion was to be drawn before the opening of a court hearing session, which reduced the hearing to sheer formality. All the above provisions will make the division of labor, duties, and responsibilities more reasonable and scientific among the three branches: the public security department, the procuratorate, and the court. And these provisions will set stricter requirements on the three branches as well. This will help improve the quality of the legal

processing staff and its performance and efficiency in case processing, and is good for the fulfillment of the basic task of fighting crime and protecting the rights and interests of citizens.

The current amendment to the Criminal Procedure Law has further improved China's criminal procedural system and judicial system. The amended Criminal Procedure Law is the product of the experience summed up in the practice of criminal proceedings in our country. All law enforcement organizations should have their staff conscientiously study this basic law, try hard to improve the professional quality of law enforcement personnel, appropriately adjust their way of thinking, work methods, and concepts to suit new provisions of the Criminal Procedure Law, and make good preparations for the implementation of the amended Criminal Procedure Law. The vast number of citizens on their part should also conscientiously study this law, use it to better protect their rights to legal proceedings, and take the initiative in fighting criminal activities. We believe that the amended Criminal Procedure Law, which is to come into force on 1 January 1997, will play a tremendous role in punishing criminal elements, protecting the citizen's rights and interests, and expediting development of democracy and the legal system.

PRC: Regulations Issued on Introduction of Foreign Experts

OW1107145296 Beijing ZHONGGUO XINWEN SHE in English 1235 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (CNS) — The State Education Commission and State Bureau of Foreign Experts Affairs have today jointly issued a new set of regulations on the recruitment of overseas professionals to work in mainland schools and universities.

The regulations detail criteria for recruitment justification, eligibility to recruit expatriates, the necessary application procedures, vetting and approving procedures, plus penalties against any violations.

For example, schools and other educational bodies that provide pre-school education (kindergartens) and the 9-year compulsory education facilities (primary and secondary schools) are not allowed in principle to recruit foreign professionals. Exceptions will however be considered in the cases of foreign language institutions, schools founded with sister-city agreements and model schools set up to carry out tests and therefore have the genuine need to employ expatriates to teach foreign languages.

The strict restrictions are understood to deter schools from charging exorbitant tuition fees and profiteering from the recruitment of expatriates.

Xu Zhenyuan, deputy director of State Bureau of Foreign Experts Affairs said: "The new regulations, which are the product of the Bureau's years of experience, are part of the effort to rationalise and standardise all the existing rules governing expatriates working in China."

Approximately 14,000 foreign professionals and teachers from 54 countries worked in China's educational institutions in 1995 — more than twenty-times the number in 1980.

PRC: National Property Journal To Improve State Asset Management

OW1207105196 Beijing XINHUA in English 0808 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — In another move to improve the management of state assets, China officially published its first national newspaper for property news today.

The "China Property News," a semi-weekly publication, covers news that reflects China's progress in reforming its economic structure and state-owned enterprises, according to the State Administration of State Property (SASP), China's state property watchdog.

The newspaper also includes articles about China's principles and policies, rules and laws on the management of state assets, and has been authorized by the SASP to publish notices of property rights registration.

The SASP announced in May that China would introduce a system this year mandating the publication of property rights registration.

Typical cases and exemplary people involved in curbing the loss and increasing the value of state assets will also be written about in the newspaper, SASP officials said during a ceremony for the founding of the journal.

Zhang Youcai, vice-minister of finance and director-general of the SASP, told reporters that "ensuring the well-being of the newspaper is of great significance to bolstering the public awareness of state property and maintaining the economic foundation of socialism."

Statistics show that China's state property currently is valued at 5.192 trillion yuan (about 618 billion US dollars), up from merely 20 billion yuan in 1949, when New China was founded.

PRC: Reduction of Water Pollution Seen as 'Top Priority'

OW1207101196 Beijing XINHUA in English 0907 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — China plans to give top priority to reducing water

pollution in its worst polluted rivers and lakes during the 1996-2000 period.

The rivers are the Huaihe in central and east China, the Haihe in the north, and the Liaohe in the northeast. The lakes are the Taihu in Jiangsu Province, the Chaohu in Anhui, and the Dianchi in Yunnan.

Water pollution controls are high on the agenda of the Fourth National Environmental Protection Meeting, scheduled for July 15-17.

Sources with the National Environmental Protection Agency (NEPA) say that "water pollution is an enormous problem in China, and reducing water pollution is an urgent task."

Nearly half of the country's seven largest rivers are seriously polluted, especially the Huaihe, and about 50 percent of the water in its 191 tributaries is black and stinking, something which affects the lives of 154 million people in the river valley, one of the country's major grain and energy producing areas.

The pollution of Taihu Lake has been a major environmental problem affecting people and economic development in parts of Jiangsu and Zhejiang provinces, and Shanghai.

Efforts will be made at supervising better, developing pollution control programs, and building urban waste treatment facilities.

A NEPA official said in an interview with XINHUA that the massive investment in pollution control projects along the Huaihe will mainly come from the polluters and from local government.

The central government plans to provide a total of 1.3 billion yuan (156 million US dollars) for pollution control projects, and China is seeking a total of 400 million US dollars in loans from the World Bank, said the official.

Ten million yuan will be allocated each year from 1997 to 2000 to solve the drinking water problem for millions of people along the river, the worst polluted spots being in Henan, Anhui, Jiangsu, and Shandong provinces. The Chinese government has ordered that the Huaihe and Taihu be clean by 2000.

As a first step, it said that, by 1998 waste water discharged by enterprises in the Huaihe and Taihu valleys must be treated up to the standards set by the central government, before it can be emptied into rivers and lakes.

China closed down 999 small paper-making factories in the Huaihe valley by June 30, meeting the target it set

last September to close factories that produce annually less than 5,000 tons of paper each.

Military & Public Security

PRC: Article on Guided Missile Units' Development

OW1107115796 Beijing XINHUA Hong Kong Service in Chinese 0945 GMT 7 Jul 96

[Article by reporters Zhang Jiajun (1728 1367 6511) and Zao Zhi (2580 2535): "The Strong Contingent of Secret Rockets (4377 4628) — The Historical Course of Development of China's Strategic Guided Missile Units"]

[FBIS Translated Text] Beijing, 7 Jul (XINHUA) — The youngest and most modern units of the Chinese Army — China's strategic guided missile units — ushered in their 30th birth anniversary on 1 July this year.

After 30 years of hard work and tests, China's strategic guided missile units have become a crack force of the Republic. The units have repeatedly and successfully accomplished firing tests and other training tasks and have achieved the capability to survive, react rapidly, and launch a nuclear counterattack under nuclear conditions [he tiao jian xia 2702 2742 0115 0007].

The guided missile firing practice conducted in the southeast coastal areas in March this year once again reviewed the combat effectiveness of China's strategic guided missile units, and showed the units' outstanding military and political quality, ability to grasp the operation of modern weapons and equipment, and defensive capability under high-technology conditions.

China's efforts to build a strategic nuclear counterattack force started as early as the later part of the fifties.

On 9 December 1957, more than 600 cadres and fighters from various military units and scientific research institutes established a ground-to-ground guided missile [di di dao dan 0966 0966 1418 1734] training group.

In June 1959, based on the group's training situation, the Central Military Commission [CMC] decided to dissolve the ground-to-ground guided missile training group and establish two strategic guided missile combat battalions.

On 18 March 1960, one of the two proposed battalions was formally established at an artillery school in a northwest China city. This was China's first guided missile battalion, which is also one of the earliest strategic guided missile units in Asia. In the past more than 30 years, the guided missile battalion developed from small to large and from weak to strong. It has now

grown and become a powerful guided missile launching unit of considerable scale, and has trained many batches of officers for the development and growth of China's strategic guided missile units.

In 1963, the CMC made a decision to establish a strategic guided missile battleground [zhen di 7109 0966].

A year later, a concerned department drafted a report on building the first guided missile battleground in northern China. The then deputy chief of general staff, Zhang Aiping, led a number of people over mountains and rivers amid hardships to make an on-the-spot inspection of a natural forest area.

On 28 September, the order to build the first strategic guided missile battleground was issued. Tens of thousands of officers and fighters from 88 army units began to gather in the thick forest area.

Shortly after this unit's entry into the mountainous area, many other units with the same mission also entered central, southern, and western forest areas and high grounds. Thus, many strategic guided missile battlegrounds have emerged in our country's vast land, which can use different methods to launch different types of missiles for fighting, defense, storage, command, and survival [neng sheng huo 5174 3932 3172].

On 19 October 1966, Premier Zhou Enlai and Marshal Nie Rongzhen jointly presided over an unusual meeting in Beijing on integrating guided missiles with atomic bombs. With scientists, generals, and responsible people of concerned departments, Zhou Enlai solemnly declared: Following China's successful nuclear detonation, some people laughed at us and said we only have bullets without guns, meaning we only have atomic bombs but no carrier devices. We must use guided missiles to launch atomic bombs and take concrete action to answer the challenge of public opinion!

Several days later, China successfully conducted her first launch of a nuclear weapon on a guided missile.

On 1 July a year later, with CPC Central Committee and CMC approval, a special force capable of handling modernized weapons was formally established in the Chinese Army. Premier Zhou Enlai personally gave it a name: the Second Artillery [Corps], which was later described by people in the world as China's strategic guided missile unit.

From the day of possessing nuclear weapons, the Chinese Government has solemnly pledged to the world: China will never be the first to use nuclear weapons at any time or under any circumstance. Therefore, gaining mastery by striking only after the enemy has struck [hou

fa zhi ren 0683 3127 0455 0086] has become the only choice for China's strategic guided missile units.

This choice has also set a requirement on officers and fighters that our military quality must be better than our opponents'.

In the mid-seventies, China's strategic guided missile units organized a massive long-range firing practice with live warheads, involving moving operations, camouflaging, and launching.

In the early eighties, China's strategic guided missile units successfully conducted the first large-scale combined battle exercise [he cheng xun lian zhan yi yan xi 0678 2052 6064 4886 2069 1763 3348 5045] to examine the units' overall fighting capability.

Through repeated exercises in remote high ground, windy and snow-capped mountainous areas, deep valleys, and wild forests, China's strategic guided missile units have gradually become a powerful force.

Science and technology is the fervent nucleus of guided missiles, and scientific and technological progress is the foundation for the development of guided missile units. As China's most modern units, officers and fighters of China's strategic guided missile units clearly understand the importance of science and technology and have made incessant efforts and achieved positive results.

In recent years, China's guided missile units have made some 1,000 achievements in scientific and technological research work. The development of an automatic testing system for guided missiles has enabled the units to rank among world's advanced countries in terms of testing technology. The guided missile control system, electronic command system, general message handling system, and other important research results have filled in the blanks for electronics operation in fixed or mobile positions by different missile brigades. They have also achieved good results in weather forecasting, land surveying, antichemical warfare, and logistics work. More than 90 percent of those scientific and technological achievements have been applied in their respective fields.

When interviewed by reporters, China's strategic missile units commander Yang Guoliang and Political Commissar Sui Yongju said: The history of the Second Artillery's development is a history of continuous exploration and reform. In the new historical period, the Second Artillery must continue to deepen reform, persist in proceeding from reality, seek truth from facts, and strive to build up the units according to the special characteristics of strategic guided missile units.

China's development of a limited number of strategic nuclear weapons is totally for the purpose of breaking up nuclear monopoly, opposing nuclear blackmail, establishing self-defense, containing possible nuclear attack, defending state security, and protecting peace in the world. Here we wish to reiterate that China will not be the first to use nuclear weapons at any time or under any condition.

PRC: Article on 'Information Warfare'

OW1107123796 Beijing JIEFANGJUN BAO
in Chinese 11 Jun 96 p 6

["Military Forum" Column Article by Su Enze (5685 1869 3419): "Logical Concept of Information Warfare"]

[PTS Translated Text for FBIS]

The Second and a Half World War and the First and a Half Revolution

The Gulf War was regarded as the "Second and a Half World War," for it was a war participated in by the largest number of countries since the Second World War. However, its true significance lies in that it has ushered in the "first and a half revolution" in the world military domain.

By the "first and a half revolution," we mean that a "military technological revolution" has happened while a "military revolution" is happening or is soon to happen.

Guided and represented by information technology, a batch of modern hi-tech weapons have been developed and applied to the battlefield. This shows that a "military technological revolution" has already happened. Guided and represented by "information warfare," a "military revolution" is also taking place in military ideology, military theory, military establishment, combat pattern, and other military fields on a global scale.

Some experts pointed out: The western "military technological revolution" can be divided into two types of revolutions, namely, technical revolution and technological revolution. The former means revolution of military skills and military techniques whereas the latter means scientific, academic, and systematic development in the military field. "Military technological revolution" is in nature a "military revolution." Some other experts believe that being a component of a military revolution, a military technological revolution should generally be referred to as a military revolution.

Be it the first revolution or the first and a half revolution, a military technological revolution guided and represented by information technology is widely believed

to take place during an industrialized society's transformation into an information society.

Three Sources and Three Types of Participation

It is by no means accidental that information warfare has taken shape as it was both preceded by and originated from electronic warfare.

Electronic warfare historically originated from the following three sources:

First, radar. Radar technology is in essence a tuning and jamming technology. An electromagnetic frequency war belongs to "electromagnetic warfare (EW)" and is standard electronic war. An electronic war has developed three mature forms, namely, electronic support measures (ESM), electronic confrontation measures (ECM), and electronic counter-confrontation measures (ECCM).

Second, telecommunications. Telecommunications was initially developed to ensure smooth communication and confidentiality; was later gradually employed in the command, control, and intelligence fields; and was finally developed into C3I, which is based on telecommunications.

Third, missile. Thanks to precision-guided missile technology development, anti-radiation missiles capable of directly destroying the enemy's radars and other radiation-sourced weapons have become a main force capable of inflicting "hard casualties" on the enemy in an electronic war. Compared with missiles, two other sources, namely, radar and telecommunications, are only capable of inflicting "soft casualties" or "no casualties" on the enemy.

It appears that electronic warfare has already become mature in both theory and operation. Thanks to lateral motivation and participation of computers, electronic warfare has evolved into information warfare. Thanks to powerful functions of computers as "information processors," we have developed such a concept as "information warfare" on the basis of the concept of "electronic warfare."

The participation of computers has taken the following three forms:

"Insertion" or microprocessing. Ever since information on all types of weapons was inserted into a microprocessor, electronics has infiltrated into the large field of machinery.

"Network." If insertion means "invisible" participation of computers, network means "visible" participation of computers. It is the computer network that has integrated all types of combat units in terms of information.

"Intellectualization." Intellectualization refers to in-depth participation of computers. There is a variety of information concepts, such as information in a narrow sense, namely, information volume; information in a broad sense, namely, information quality; and information in a general sense, namely, knowledge, intelligence, wisdom, and other "third essential elements" in comparison to material and energy.

As a result, we have developed intellectualized equipment, new-concept weapons, knowledge war, psychological war, strategy war, thinking war, culture war, cyberwar, and some other concepts that are information warfare in the broadest sense. Some people also pointed out: "An information war is targeted at human brains, especially brains of people that decide upon peace and war."

Three-Level Pattern and Four Strange Circles

The three sources of electronic warfare and three types of participation of computers have placed information warfare in six categories, but not at the same level.

The three sources of information warfare have been universally acknowledged; accepted by the military; and written into military regulations or combat programs while computerized "insertion" is being entered in designing and technological programs of national defense-related scientific research and industrial departments. Since they are in a "visible" state like a solid body, these four categories are regarded as the "solid level" of information warfare.

The computer network has played a significant role and left a formidable impression. However, its framework and composition are both clear and unclear, operational and almost nonoperational, and the computer network is regarded as the "liquid level" of information warfare.

Though it has pointed out a future trend — intellectualization — a knowledge war is still hardly operational and still at an exploratory stage. Since it plays only a guiding role for the military, intellectualization is regarded as the "atmospheric level" of information warfare.

Obviously, insofar as countermeasures of information warfare are concerned, we should carry out the "solid level"; firmly grasp the "liquid level"; and pay attention to the "atmospheric level" at present.

It should be pointed out that the aforementioned three-level pattern is both an existential pattern and a logical pattern. Logically speaking, information warfare is not perfect; is contradictory; or is, in a sense, shrouded in strange circles.

The first strange circle is: The information source should be situated in an area where information is most needed. However, we need information to locate such an area. For instance, the United States had previously regarded the former Soviet Union as its adversary. After the former Soviet Union disintegrated, the United States had difficulties in locating a new primary target for its intelligence work.

The second strange circle is: The further technology develops, the more easily technology will be caught up with. This means that in the technological transformation from "heavy, thick, long, big, and rough" to "light, thin, short, small, and refined," the third world countries can very often find shortcuts for information technology development and attain similar standards within a shorter period of time.

The third strange circle is: The further information technology develops, the more fragile and vulnerable information technology becomes. For instance, a physically weak and sick high school student succeeded in paralyzing the U.S. Defense Department's entire computer network. Thus, the United States, which has been keen on linking up computer networks, is also worried about itself becoming a contemporary Chao Chao [an ancient Chinese warlord in the Three Kingdoms period] bottled up by his own battleships.

The fourth strange circle is: The further computer technology develops, the more computers will rely on human brains, for more sophisticated human brains are required to distinguish and decide upon information. Thus, an electronic war or a network war is just the first stage of intelligence warfare whereas a strategic war is a higher and more brilliant stage of intelligence warfare.

One Basic Content and One Trap

One basic content of information warfare is closely linked with the nature of information. What is the nature of information? WEI NA [4850 6871] said: "The nature of information is negative entropy." Since entropy is in a disorderly and unstable state, negative entropy, which is the opposite of entropy, is in an orderly and stable state.

Thus orderliness constitutes the basic content of information warfare. Information warfare determines that a war should proceed in a more orderly way and should be more accurate, more efficient, more scientific, more economical, more civilized, or more optimal.

On the one hand, this means that science and technology have developed by leaps and bounds with the result that we have acquired the desired knowledge; on the other

hand, this means that a war's cost has soared to an unbearable extent. Since we need more information for national defense and troops building, we also need more orderliness and higher efficiency.

Since everything develops by stages, information warfare is no exception, which is evidenced by its three-level pattern. The four strange circles have shown that information warfare has yet to be perfected. Since scientific and technological standards differ from one country to another, different countries have adopted different countermeasures concerning information warfare. Information warfare is only relative to "machinery warfare" conducted in an industrialized society. Though information warfare took shape in the Gulf War, the Gulf War itself was in essence machinery warfare. Therefore, information warfare's danger and trap lie in that some people have elevated its "guiding role" to the "main force" role; lumped together its developmental stages; and underrated "machinery warfare's" realistic value.

We should always maintain vigilance against this trap. Jay Garner, commander of the U.S. Army Space and Strategic Headquarters, said: "I can hardly imagine that a war will become an electronic game fought without misery."

PRC: PLA Chief of Staff Stresses Modern Warfare Training

OW1207104996 Beijing Central Television Program One Network in Mandarin 2300 GMT 9 Jul 96

[From the "National News Hookup" program]

[FBIS Translated Text] The armed forces held a series of army-wide training drills and exhibitions in Harbin 7-9 July to reform training methods and exchange experience in this field. The drills and exhibitions held there have demonstrated that the armed forces have achieved positive results in reforming training methods and have basically developed a training system based on a new training program suitable to new military tactics. The new training method stresses high technology and coordinated training by the three services. Also, it stresses the integration between military campaign and tactics, combined warfare and single-service campaign, and military tactics and training methods. As a result, the new training method is even closer to actual combat.

Pu Quanyou, Central Military Commission member and chief of general staff, stressed: We must treat military training as a pressing strategic issue and conduct quality training to raise our armed forces' overall combat capability to win local wars under the conditions of modern warfare, particularly high-technology warfare.

PRC: China Develops Ultrasonic Target Drone

OW1107132296 Beijing RENMIN RIBAO in Chinese 27 May 96 p 3

[Report by Liu Congli (0491 1783 4409), Wang Guoxiang (3769 0948 4382), and Chen Youbin (7115 0645 2430): "A New Star Has Risen in the East — On-the-Spot Report on Certain Air Base Developing China's First Ultrasonic Target Drone"]

[PTS Translated Text for FBIS] An exciting piece of news came recently from an experimental base of the Air Force: China succeeded in the trial flight of its unmanned ultrasonic target drone, an aircraft designed and manufactured by China, which merges the high technologies of microelectronics, computer, and automatic control. This is a brilliant leap forward in the history of China's target drone.

However, the achievement was not a product of any noted scientific research institute or institution of higher learning. Instead, it came from the second station of the Air Force's experiment base. Stationed at the depth of the vast Gobi desert, it was tasked with developing a target drone for assessing missiles. It is indeed astonishing for such a small logistics unit to develop such a scientific and technological achievement, which has reached world advanced levels.

Unity Means Strength

On a certain day in the late 1980's, the expanded meeting of the party committee of a certain air base was holding discussions on whether it should undertake the job of developing an ultrasonic target drone. Some people said, "It has not been easy to fulfill the logistics work in the Gobi desert, so why should we ask for another burden?" At this moment, Zhao Xi, chief engineer who just returned from Beijing, explained the urgency of developing the ultrasonic target drone. Others at present could not hold themselves back. "We should not be afraid of risks and should vigorously undertake the task of developing the ultrasonic target drone." Their unanimous voice immediately became the decision of the base party committee and the party committee of the second station.

When their overall plan for developing the ultrasonic target drone was announced after feasible studies, there was a clamor at the appraisal meeting. Some experts said that even the advanced Western nations have not succeeded in developing ultrasonic target drones after years of experiments. It would be like "One Thousand and One Arabian Nights" for an experimental logistics unit of the Air Force to boast that it can make the target drone within four years with less funds.

However, they were not bragging. The base had a number of engineers engaged in unmanned target drones for a long time who also had the successful experience of developing "Changkong 1" [Vast Sky 1] target drone and "Ba Wu Yi" [7249 0063 0044] target drone. Chief Engineer Zhao and the political commissar of the second station made the following pledge: If we succeed in the research, merit goes to the party; if we fail, we are willing to face a trial! What a noble patriotic spirit!

Slackness was more difficult to deal with than technical hurdles. Since the tackling of technical hurdles required technological know-how, some veteran comrades offered their offices of director and deputy directors to younger, capable comrades. When one unit encountered difficulties, experts with the knowledge from another unit would come to offer help on their own initiative. When one unit badly required the know-how and data related to another unit, the latter would copy the data for the former, regardless of fame and trouble.

Valuable Spirit Lies in Doing One's Job Well

Like a relay, all the units and personnel tried to run their own part well. In a "relay," however, the most conspicuous and influential part is the one making a dash towards the tape.

An ultrasonic drone required a highly sensitive remote control system. Senior engineer Li Hongbin came forward in spite of difficulties, saying "I am willing to receive punishment if I cannot develop the device in a year." In order to concentrate on scientific research, he asked the party committee to remove him from his position as director of the Technology Office. He eventually lived up to the expectations of the base and successfully developed a new model remote transmitter and receiver.

Responsible for the important task of overall design, Chief Engineer Zhao Xi was regarded as "the chief coach of the relay." In order to jump the technical hurdle of smooth take-off of the ultrasonic target drone, Zhao slept for only four hours a day. Whenever there were flights during the day, he would go to the airport to observe the movements of the aircraft taking off. With a stopwatch and a notebook in his hands, he made detailed notes of the time needed for taxiing, rod pulling, lifting of front wheels, and taking-off. He was not worried about getting frostbitten hands in the severe winter when the temperature at the airport was minus 20 degrees. When the runway was scorching hot during the summer, he continued his work despite the sweat until he could present reliable data.

Vigorously Make a Contribution

"Whatever is required for developing the ultrasonic target drone, we should vigorously make our contribution

irrespective of the units, professions, prices, and conditions." This was the most resounding remark made by the second station, which could be heard in the Technology Office and among the maintenance crew and officers and men, and also witnessed in practical action everywhere.

The research work of ultrasonic target drone reached the testing and experimental stage in 1994. In the face of the arduous experiments, the broad ranks of research workers vied with one another for the job, manifesting the lofty communist style.

After the beautiful and magnificent ultrasonic target drone was assembled, it had to first undergo the test of automatic taxiing. For the undertaking of this experiment, someone had to be in the cockpit observing all the instruments during the taxiing. If there would be danger of automatic system failure, someone would have to be there to immediately switch over to manual operation. Everyone knew that it was a very dangerous experiment: The drone could crash and the person on board might be killed if the operation was not properly controlled.

"It is dangerous, let me do it!" When the base and second station found it difficult to seek a suitable candidate, Yuan Bo, head of the crew, volunteered for the job.

Through studying and practicing the flight theory, Yuan Bo started to experiment taxiing. He went on board the cockpit. With two eyes gazing at the instruments, he sat still as if his hands and legs were tied up. Some people said that he was a "puppet pilot." People anxiously watched the drone taxiing on the runway. Suddenly the swiftly running drone rocked and slid to the side of the runway. At the critical moment when the drone was about to dash astray, Yuan Bo completed the operation of releasing the accelerator, shutting down the automatic control instrument, and applying the brakes in an instant. The drone stopped at the side of the runway and Yuan Bo was wet all over with sweat.

With the fearless and selfless spirit of dedication, he risked his life in doing the experiment over and over again until he successfully completed 20 experiments and obtained a large amount of reliable data for the ultrasonic target drone to smoothly take off.

The first flight of a China-made ultrasonic target drone succeeded on 13 April 1995. There were tears in the eyes of the base commander, Chief Engineer Zhao, technological personnel of the second station, officers and men, and relatives present on the occasion. Indeed, the achievement was not easily attained.

North Region

*PRC: Problem of Floating Population in Beijing Viewed

96CM0380A Beijing QIAN XIAN [FRONT LINE]
in Chinese 5 Apr 96 No 4, pp 35-37

[Article by Ouyang Zhiyuan (2952 7122 1807 6678):
"Exploring Ways To Solve Problem of Beijing Municipality's Floating Population"]

[FBIS Translated Excerpt] [Passage omitted]

I.

The core problem of floating populations is the problem of peasants flowing into urban areas. There are three reasons for the large number of peasants pouring into urban areas:

First, the problem of rural unemployment is becoming more serious day by day. The proportion of China's cultivated area to its territorial area is small. Following the expansion of the population and the increase in the nonagricultural population (the increase in the nonagricultural population has a direct, interrelated relationship with the occupation of cultivated land); the per capita cultivated area is rapidly shrinking (it is now under two mu), and also the proportion of the low- and medium-yield cultivated area is large (78.46 percent), causing a large amount of a overstocked surplus rural labor force, and a rapid rise in its number. According to estimates, at present the rural surplus labor force is between 120 million and 150 million (statistics compiled by the Land Development and Regional Economy Research Institute and the Land and Region Department—both of the State Planning Commission—"1995 Report on China's Population, Resources, and Environment," Beijing: China Environmental Science Publishing House, 1995). The way out for the rural surplus labor force is to transfer to nonagricultural industries. This transfer went fairly smoothly in the eastern region, but it encountered serious obstacles in the central and western regions, and the basic reason for this was the effect of economic development. The economic gap between the eastern regions and the central and western regions was fairly obvious as early as before the end of the seventies. After reform and the opening up to the outside world began, the eastern region depended on its original economic base, geographical superiority, and political favored treatment, and with its resources and markets for the central and western regions, it achieved high-speed economic growth. At the same time, because of their high quality and low prices, a large amount of the eastern region's commodities streamed westward, while the talented persons of the central and western regions were steadily absorbed by the eastern region.

Under heavy attack, the enterprises in the central and western regions beat a precipitate retreat; in particular, township-town enterprises, because of their shortage of funds, low labor force quality, imperfect management, and other problems, especially had difficulty in surviving. This "Matthew Effect" has become more and more serious since the beginning of the eighties. Existing enterprises still need to deal with a large number of surplus personnel; naturally, it is more difficult for them to effectively absorb the rural surplus labor force. Against this background, the surplus labor force can only seek a way out by pouring into the eastern region.

Second, after the founding of the PRC, for a long time China's rural areas practiced collective production under a quasi-state industrialized management system. This avoided the usual situation in the initial stage of the industrialization of developing countries in which peasants pour into urban areas; in this peaceful environment the necessary accumulation was provided for the laying of the foundation for China's industry, but its price was widespread poverty among the peasants. To liberate the rural productive forces we had to change the original economic system. The change in the economic system brought a leap forward in agricultural production, but also it unavoidably caused overhastiness in rural management. Against this background it was very difficult to effectively restrain the peasants' thoughts and actions, and their free flow became a possibility; driven by their comparative interest, they quite naturally poured into the eastern region's urban areas. For the great majority of peasants, if they go to other places to work and engage in business, although they can obtain a fairly good economic income, they must endure extremely large hardships in their living environment, and also it is very difficult for them to maintain a steady income. For a considerably large number of the peasants, this outflow is an option for which there is no alternative. In reality, in the central and western regions, although the manufacturing industry is finding it difficult to develop, agriculture is not without a potential that can be tapped. Provided there is proper organization, it is entirely possible, by developing, on an appropriate scale, a high-quality, high-yield, highly efficient agriculture that will bring prosperity to the peasants. What is regrettable is that in many places this action has not been taken, and the way to solve the problem of excess labor force in the rural areas is taken to be the export of labor. Herein lies a problem of obtaining funds and also a problem in the understanding of the cadres.

Third, the demand for labor for large-scale construction in the eastern region is the main external factor that is pulling the peasants of the central and western regions eastward. The use of a large number of

laborers working on public projects has a positive effect on the development of the economy and society in the eastern region; at the same time, it improves the quality of these laborers. However, because their supply is greater than their demand and they are cheap to employ in the eastern region (especially in its urban areas), an aristocratic work style has cropped up among the original producers and workers; and this trend, conversely, produces a greater demand for these laborers.

II.

The main negative effects of floating populations on urban areas are as follows:

First, the sources of populations that flow into the urban areas are mixed, the good being intermingled with the bad. When peasants move into urban areas, because their educational level is fairly low it is quite difficult for them to work at posts where the technological demands are fairly high, and the posts they are admitted to are usually ones in which the labor intensity is fairly high and the income fairly low. Most of the colonies formed by these laborers are rationally restricted to extremely small secondary social groupings; provoked by the existence now of the reality of unfair distribution, there very easily appears in them a loss of psychological balance, and if they are influenced by a tiny number of bad elements they could take retaliatory action against society. The floating population is huge in number and the number of urban employment posts are limited; even if they engage in individual commercial activities, under the circumstances of increasingly fierce competition, making a living is more and more difficult for them, and if they cannot make a living they could be drawn into criminal activities. The existence of a large number of vagrants objectively provides cover for criminals.

Second, the several million-strong floating population have become de facto residents, putting pressure on urban areas that is hard to bear. The energy, water resources, communications, housing, and public health conditions and facilities of Beijing Municipality are extremely strained, and the inflow of a large number of people aggravates this situation. To maintain the capital's proper image, the government has to expand investment in order to alleviate this strained situation, and even more people could be drawn in from the outside and take up residence in the capital. Faced with this rapid growth in population, the government needs to swiftly expand its management ranks, and this also is bound to add to its financial burden. Also, the floating population is often not restrained by the planned parenthood policy, and naturally its growth rate is fairly high.

Such being the case, it is highly likely that this situation will become a vicious circle.

Third, because of the aristocratic tendency caused by the use of a large number of laborers working on public projects, there is a corrosive effect on the minds of urban residents; this kind of damage is invisible but it is of a fundamental nature, and if it is not contained it will have serious social consequences. [passage omitted]

PRC: Hebei Governor on Deregulating Enterprises
SK2406114496 Shijiazhuang HEBEI RIBAO
in Chinese 30 May 96 pp 1, 2

[FBIS Translated Text] The provincial conference on deregulating small state-owned enterprises was held in Shijiazhuang on 29 May. Ye Liansong, deputy secretary of the provincial party committee and governor of the province, delivered a speech entitled "Actively and Boldly Promote Reform and Accelerate the Pace of Deregulating Small State-owned Enterprises" to the mayors of cities; commissioners of prefectures; heads of counties (districts); and responsible persons of pertinent provincial, city, and prefectural departments participating in the conference.

Ye Liansong said: We should correctly understand the situation in reform and development of small state-owned enterprises and truly enhance the sense of responsibility and the sense of urgency in successfully operating small state-owned enterprises. Thus far, small state-owned enterprises in the province have developed into a huge enterprise group, with the total number of such enterprises surpassing 10,000. Since the start of reform and opening up, and particularly since the convocation of the third session of the 14th CPC Central Committee, in line with the unified arrangements of the CPC Central Committee and the State Council and the demand for establishing the socialist market economic system, all levels and departments in the province have actively explored ways of successfully operating small state-owned enterprises, regarding the establishment of a modern enterprise system as the orientation and the reorganization of the flows of property rights, and the transformation of the enterprise operational mechanism as the major point. The initial results achieved in this aspect are: Some enterprises have radiated vigor and vitality after progress was made in the reform of small state-owned enterprises; some enterprises have experienced development and expansion after withstanding the tests of the market economy; many feasible forms of reform have been explored and carried out in adherence with the principle of "facilitating the development of productive forces, enhancing the state's comprehensive strength, and improving people's living standards";

and some advanced and typical counties (districts) have come to the fore as a result of comprehensively invigorating small state-owned enterprises through bold reform. The situation shows that some progress has already been made in deregulating small state-owned enterprises. It must be clearly noted, however, that the pace of reform has not been fast so far as the whole province is concerned. Quite a few localities have emphasized giving general directions. Principal leaders of cities, prefectures, and counties, as well as major responsible persons of pertinent departments, have failed to earnestly try to do practical things in carrying out reform, thus causing the deregulation of small state-owned enterprises to lack dynamics and obvious results and lag far behind the demands of invigorating the entire state-owned economy and building Hebei into a strong economic province. Moreover, there are still many contradictions in the system and mechanism of small state-owned enterprises. For instance, their mechanism remains rigid and inflexible, their vitality and momentum for development is still insufficient, and their management is still extensive. These contradictions have been manifested in a concentrated way as numerous surplus workers, a high rate of asset liabilities, and heavy burdens on supporting social undertakings. Adding in the slow pace of reform and the inadaptability to the market, these contradictions have caused many small state-owned enterprises to suffer deficits and many state-owned assets to run off. Hence, leaders at all levels must fully understand the great significance of deregulation of small state-owned enterprises from a strategic and overall point of view. We should notice that the success or failure in operating small state-owned enterprises is directly related to the success or failure in operating the entire state-owned economy. At present, 82 percent of state-owned enterprises in the province are small enterprises, and they cause a considerable portion of the deficits of state-owned enterprises. We should notice that whether we can successfully operate small state-owned enterprises directly determines whether we can change the economic structure and growth pattern, invigorate and develop the county economy, and maintain the stability of the whole society.

How should we emancipate the mind and boldly practice the deregulation of small state-owned enterprises in a firm and unswerving manner? Ye Liansong said: The province is now faced with a very good opportunity to deregulate small state-owned enterprises. To truly seize this opportunity, the provincial party committee and the provincial government have considered the reform of small state-owned enterprises to be one of the major affairs to be grasped on a priority basis this year, and they have set up definite goals and demands. The province's guiding ideology on deregulating small state-owned en-

terprises is: Under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party; closely adhering to the two fundamental changes in economic structure and economic growth pattern; in line with the principle of "firmly grasping large enterprises and deregulating small ones"; focusing on invigorating the state-owned economy in a comprehensive fashion; and with the "facilitation of the development of productive forces, the enhancement of comprehensive national strength, and the improvement of people's living standards" as the criterion, we should actively and boldly accelerate the reform and development of small state-owned enterprises through diverse forms and with an emancipated mind. We should make great efforts to enhance the vitality of enterprises, comprehensively improve their quality, and ensure the maintenance and increase of state-owned assets with a view to effecting sustained, rapid, and sound economic development. According to this guiding ideology, 8,586 small state-owned enterprises in the province will be deregulated in 1996 and 1997. This year, 4,394 enterprises, or more than 50 percent, will be deregulated. Of these, 1,519 are industrial, construction, and communications enterprises and 2,875 are commercial, grain, and trade enterprises. Through this reform, the government will be extricated from the boundless responsibility for enterprises; no longer directly interfere with enterprise production and management; deregulate the operational form and the property organization form of enterprises; change from managing enterprises' state-owned assets in kind to managing the value of their state-owned assets; and will guide, serve, and supervise enterprises according to the law. Meanwhile, enterprises will effect a high-efficiency operation by reorganizing and enlivening their existing assets and changing their operational mechanisms.

To attain the goal of deregulating small state-owned enterprises, we must first emancipate our minds and free ourselves from fixed traditional thinking and errors of understanding. We must adopt diverse forms to promote the reform of small state-owned enterprises in all fields, focusing on reorganization and the flow of property rights. All localities should match measures to local conditions and the conditions of respective enterprises. All measures can be tried out boldly so long as they help develop productive forces, enhance the comprehensive national strength, and improve people's living standards. Which specific forms are adopted should be decided by the enterprises themselves. So far as the whole province is concerned, prominence should be given to the following three key points: vigorously promoting the implementation of the shareholding system; positively developing the shareholding cooperative system; and increasing the dynamics of incorporation, auctioning

off, reorganization, and bankruptcy of enterprises to revitalize idle assets. Enterprises that have suffered losses for a long time, whose assets cannot cover their debts, and that have no hope of halting their deficits should be declared bankrupt according to the law. This year, the state has prepared 20 billion yuan as reserve funds to cover idle and bad debts, and our province should strive to get 1.5 billion yuan or more. We must comprehensively improve the overall quality of state-owned enterprises in line with the demands of the changing economic growth pattern. We must achieve success in carrying out supporting reforms, perfecting policies, and tackling the difficult problems that arise in reforming and developing small state-owned enterprises. For instance, problems with workers' old-age insurance and unemployment insurance, the diversion of a surplus working force, the debt burden, and the source of funds should all attract high attention of various cities, prefectures, and counties as well as all pertinent departments.

What should be stressed here is that small state-owned enterprises should never be deregulated once and for all, and it is wrong to leave them alone after deregulation. We must combine deregulation with management, and manage while deregulating them. In practical work, we should on the one hand boldly deregulate them, and on the other hand manage them in a conscientious and responsible manner.

Ye Liansong emphasized: Deregulating and invigorating small state-owned enterprises is a major measure of reform that involves many areas and has a bearing on the overall situation. In addition, it is arduous and complicated systems engineering. Principal party and government leaders at all levels should personally take a hand in this reform and assume responsibility for attaining the targets. All departments should join hands and coordinate with each other in order to form a strong concerted power for "deregulating small enterprises." All departments should also change outmoded concepts, overcome the idea of departmentalism, and enthusiastically show concern over and actively support the deregulation of small state-owned enterprises.

Attending the conference were provincial leaders Ning Quanfu, Guo Shichang, and Wang Youhui.

PRC: Hebei Higher People's Court's Work Report
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["Excerpts" of Hebei Provincial Higher People's Court's Work Report presented by Li Yucheng, acting president of the provincial higher people's court, at the fourth

session of the eighth provincial people's congress on 8 February]

[FBIS Translated Text] For the past year, the province's courts received 259,741 cases for first trial, second trial, and retrial, an increase of 10.8 percent over the previous year. A total of 244,656 cases were concluded, an increase of 10.77 percent over the previous year.

I. Trial and Judgment Work Was Seriously Done, Social Stability Maintained, Economic Development Served, and the People's Legal Rights Protected

(1) Insist on carrying out the "crack down" struggle and protect social stability with an all-out effort. In 1995, the courts in the province continued to follow the principle of dealing stern and prompt blows to crime. They made development of the crackdown struggle and maintenance of social stability the most important tasks among the courts' important tasks. They ensured that the ideological awareness, work plan, judgment ability, and implementation of measures were all carried out and functioned properly. Criminal activity that seriously threatened the safety of the country and the social order was severely punished. A total of 21,192 criminal cases for first trial were received, 20,044 cases were concluded, and 29,913 people were sentenced. Among the 16,905 offenders whose sentences took effect legally, 6,606 were sentenced to death (including those whose execution dates were delayed by two years), to life imprisonment, or to over five years' imprisonment; 9,724 were sentenced to less than five years' imprisonment, to criminal detention, or placed under surveillance; 452 were exempted from criminal punishment; and 123 were acquitted. Courts at all levels adhered to the plan of the provincial party committee, established implementation procedures, defined responsibilities, maintained the momentum of the crackdown movement, and particularly increased the crackdown force during the spring crackdown movement and the winter activities. They concentrated their time and efforts on solving the cases. As a result, 6,622 criminal cases at the first trial were concluded and 9,957 offenders were punished. Criminal rampages were effectively deterred.

Courts at all levels unswervingly carried out the crackdown struggles on crimes such as corruption and bribery according to the plan and requirements of the central authority regarding deepening the anticorruption struggle. A number of criminals were harshly punished according to the law for abusing their positions for personal gain; for taking bribes and bending the law; or for graft, embezzlement, and so on. Severe blows were dealt to criminal activities that obstructed reform and opening up programs and damaged the economic order in financial areas such as production, circulation, finance, taxation,

and banking. The courts focused on trying major and serious cases and decided to stringently punish criminals according to the law and the kind of crimes committed. At the same time, attention was also paid to the appropriate usage of fines and confiscation as additional punishments. Illicit goods and money were tracked down and taken away from the criminals to make sure they would not benefit financially from their crimes. A total of 26.78 million yuan in economic losses was recovered for the country and collectives through the trial and punishment activities.

Courts at all levels adopted numerous types of effective measures during the crackdown struggles concerning criminal and economic crimes. The first measure was to focus on key cases and expand the crackdown force. The second measure was to insist on getting involved in each case at an earlier stage so as to accelerate the investigation speed. The third measure was to keep a close eye on the work done at every level to ensure the quality of case handling. Last year, courts in the province held 459 public sentencing meetings to pronounce judgments on 1,898 cases and the sentencing of 2,835 criminals. Over 5.71 million people attended these meetings, which demonstrated the overwhelming power of the people's democratic dictatorship.

(2) The trial of civil cases was energetically developed to resolve disputes and promote stability and solidarity. Not only was there an enormous number of civil cases, but the number was on the rise and the kinds of things the cases affected were widespread. Last year, courts in the province received 151,510 civil cases at first trial and concluded 143,968 cases, an increase of 9.48 percent and 9.54 percent respectively over 1994. The number of marriage and family dispute cases was highest among these. A total of 67,783 new cases regarding marital and familial disputes was received, an increase of 6,389 cases over 1994 and accounting for 53.1 percent of the all new cases. The increase in land boundary and compensation cases was relatively high, up by 27.34 percent and 21.6 percent respectively. Courts at all levels aimed at maintaining social stability when trying civil cases. They earnestly implemented the "general principles for civil codes," the "civil procedural law," and other civil laws and regulations. The different types of social relations were regulated according to the law, and the internal contradictions among people were resolved promptly.

(3) The work of trying economic cases was vigorously enhanced to regulate economic relations and promote economic development. Last year, courts in the province received a total of 67,279 economic dispute cases at first trial, an increase of 18.5 percent over 1994. Some 62,476 cases were concluded, an increase of 17.2 per-

cent over 1994. The amount involved in the legal proceedings totaled 4.914 billion yuan, an increase of 49.18 percent over 1994. The first thing the courts at various levels did during the implementation of the trial and punishment work was to heighten the service concept and vigorously improve the awareness in serving economic development. Second, they augmented the concept concerning the general task and developed economic trial and judgment work in close conjunction with the central tasks of the party. Third, they further expanded the territories they served and took an active role to develop services before and after prosecution.

(4) Trial and judgment work on administrative cases was done properly. Administrative organs were supervised and supported to ensure they were administering according to the law. The legal rights of the citizens, legal persons, and other organizations were protected. In carrying out the trial and judgment work of civil cases, courts at all levels insisted on following the principle of treating every party equally before the law. Administrative laws and regulations were strictly enforced. All sorts of administrative dispute cases were earnestly tried. Last year, courts in the province received a total of 1,405 administrative cases and concluded 1,310 cases. In concluding the administrative cases, the original judgments in 315 cases, or 22.4 percent of administrative cases, were upheld; the judgments in 235 cases, or 16.73 percent of the total, were revoked; and 426 cases, or 30.32 percent of the total, were withdrawn. Action was taken to handle and try administrative cases concerning infringements on enterprises' decisionmaking power during the transformation of the operation mechanism of state-owned enterprises; the additional burden placed on peasants by illegal apportioning and charging; as well as land, industry, commerce, urban construction, tax, and other matters affecting the market and economic orders. Courts at all levels energetically received the cases, accelerated the trials, promptly prevented and corrected law-breaking administrative conduct, and protected the legal rights of the involved parties according to the law. When dealing with major and difficult cases that interfered with the administration at a relatively high level, courts obtained positive support from the provincial party committee and provincial people's congress. The law enforcement environment was energetically improved, which further developed the trial and judgment work in the administrative cases. All levels of courts also voluntarily visited administrative departments. They studied and resolved problems encountered during the enforcement of the administrative law. They also helped administrative organs to train cadres to enforce the administrative law and promote the law enforcement standards of administrative organs.

(5) Supervisory work in accusations, appeals, and trying of cases was further strengthened so as to protect the prosecution rights of the involved parties. Last year, courts in the province received 96,621 accusation visits and 11,494 appeal visits, handling 8,120 accusation letters and 11,638 appeal letters. Courts at all levels proceeded from stabilizing the overall situation when handling the supervisory work of accusations, appeals, and trying functions. They realized the goal of providing protection of prosecution rights of the parties involved according to the law. The stability of the social order was maintained. First, they enhanced the accusation work and resolved the problem regarding the prosecution difficulties of the people. Second, they brought out the trial and judgment functions and properly handled appeal cases. Third, they vigorously resolved the problems of the old cases brought up by repeated visits. Through the joint efforts of various levels, old cases which had remained in the province and the capital for a long duration were finally resolved. Especially during the periods of high sensitivity, important occasions, and duration when the capital was holding major activities, courts at all levels carried out this work with a high sense of political responsibility. They kept the involved party at the grass-roots level and brought the role of the capital as the "protecting river around the city" into play.

(6) The enforcement work was enhanced and improved to protect the dignity of the law. Last year, courts at all levels continued to vigorously enhance and improve enforcement work. There were 64,237 civil, economic, and administrative non-prosecuted enforcement cases received, an increase of 16.37 percent over 1994. A total of 56,165 cases were enforced, an increase of 15.12 percent over 1994. The amount involved in the enforcement cases totaled 885 million yuan, up by 62.39 percent over 1994. In carrying out enforcement work, courts at all levels worked diligently to enforce the law with civility and paid attention to handling the relationship between enforcement work and the stability of the overall situation and the relationship between the enforcement work and the assistance to the development of enterprise production. Specific cases were analyzed in a specific manner, truth was sought from the facts, and each case was treated individually. Cases that were sensitive to seasons, required urgent resolution for production purpose, or involved materials not suitable for storage were enforced as soon as possible. Assistance was given to enterprises that could not make compensation but had development potentials, so that they could produce and use the profits to pay their debts. Those that could fulfill their legal obligations but refused to do so were forced to carry out their duties according to the law. In the meantime, continuous

judicial cooperation was provided to courts of other provinces and municipalities.

(7) Comprehensive social order management was energetically participated and extensive efforts were put in to create a good social environment. While doing trial and judgment work, the various levels of courts steadfastly gave the comprehensive social order management a very important position. In line with the work characteristics of the courts, we implemented the various comprehensive management measures seriously. The first measure was to do a good job in trying young delinquents. The second was to keep a close contact with the mediation organizations at the grass-roots level, get a hold on the symptom of disputes, and carry out follow-up work promptly so as to resolve contradictions at the grass-roots level. Professional guidance provided to the mediators was also enhanced to help improve their ability to resolve disputes, and to prevent and reduce crimes. The third was to make timely judicial proposals for the related units based on the problems discovered during the trial process so as to plug all the loopholes, to improve management, and to take precaution. The fourth was to keep track of the criminals whose sentences were suspended or who were placed under parole and to help rehabilitate them. The situation concerning how the criminals were being rehabilitated was monitored at all times. The ideological education work was done to promote repentance and change of criminals. The fifth was to reduce sentences or grant parole to prisoners who were remorseful or making contribution. The sixth was to combine case handling with various measures to advocate the legal system.

II. Grip Contingent Construction Tightly and Improve the Overall Quality of the Police Cadres of the Courts

For the past year, the province's courts took the implementation of the "judge law" as the juncture and relentlessly worked on building the contingent and promoting the overall work plan. The first priority of the courts' work was placed on construction at all times.

(1) Ideological and political work was vigorously enhanced to raise the political quality of the police cadres. All levels of the province's courts took ideological and political construction as the bases for construction of the contingents. Unremitting efforts were devoted to organizing police cadres to earnestly learn Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Work in promoting education in the current situation, in basic line, in the principle of serving the people wholeheartedly, and in professional ethics and professional discipline was relentlessly pursued. Its pur-

pose was to lead the enormous police cadres to consciously overcome extreme individualism, money worshipping, and hedonism. It is also aimed at helping them establish proper world concept, life concept, and value concept. The leading bodies of various levels of courts led the movement of self-development and worked diligently to set the first example for others. They not only carried out the measure of having one level checking the next level but also played out the role of having one level leading the next level. The province's courts adopted various measures to further heighten the concept of the police cadres to think about the people, love the people, and serve the people according to the requirements of the provincial party committee. In doing so, they effectively developed the movements of "three study, three examination, three overcoming, and insisting on the one principle" and "the major discussion on serving the people." Due to the fact that we had been insisting on promoting both the trial and judgment work and contingent construction simultaneously, many advanced collectives and individuals emerged in the past year. The courts of Huanghua City, Xushui County, and Pingshan County were among the courts in the country that were given the honor of first merit. Xu Xie and Dong Chuangjie were given the title of the model of the country's courts.

(2) Honest administration was strengthened and strict law enforcement was ascertained. All levels of courts continuously promoted the importance and urgency of anticorruption and honesty. Education in honest administration and the rectification of the discipline and style were deeply developed. The provincial courts demanded the police cadres of the province's courts to seriously learn from the profound lessons concerning the mistakes made by the key leaders of the provincial courts. A series of regulations of the party Central Committee, the provincial party committee, and the Supreme People's Court regarding honesty, cleanliness, and self-discipline were strictly enforced. The "three bans" of the political and legal committee of the party Central Committee and the "eight prohibitions" of the Supreme People's Court were made into warning signs. These signs were hung on the front entrance of various levels of courts for the scrutiny of the people. All levels of people's courts also adopted different types of measures to stamp out the improper practices such as using public fund to dine, wine, and entertain. The police cadres were taught to be "clean, fair, honest, understanding, hard working, and down-to-earth." Last year, the province's courts expanded the law enforcement force. They carried out serious investigation and handling of 40 police cadres who broke the law and violated discipline. In order to further improve the internal supervision mechanism, the

provincial courts established the "temporary measures for implementing the system of investigating wrongly handled cases." They also promoted the implementation of the system of investigating the two errors as practiced in the intermediate court of Shijiazhuang City.

(3) Professional training was done properly to improve the professional quality of the police cadres. The province's courts persisted in taking professional training as a strategic task. In addition to continuing to work on university law courses part-time and professional diploma education, we also adopted various methods to enhance job training by giving training classes, touring the province to give lessons, observing open courts, and so on. We insisted on training the personnel who were newly transferred to the courts before sending them to their positions. Many courts emphasized training high-level judges. They actively selected and sent staff members to postgraduate law colleges for studies or to the courts' higher judges training centers in the country for further studies.

III. Strengthen the Grass-Roots Level Construction and Deepen the Self-Development of the Courts

Last year, the province's courts focused their work on handling the problems at the grass-roots level and laying a good foundation as required by the provincial party committee in the activity of "the year for laying a foundation and working at the grass-roots level." This activity enabled the grass-roots level and the foundation construction to achieve relatively big progress. At the same time, self-development of the court that emphasized the reform of the trial style as the main content continued to deepen. The overall development of the work and construction of the courts were propelled.

(1) The construction of the courts at the grass-roots level and the people's tribunals was vigorously strengthened. After extensive efforts were devoted to building the courts, the people's tribunals and the courts at the grass-roots level were being gradually systemized and standardized. This also laid a sound foundation for the various tasks of the people's tribunals. The province's courts initiated the task to build standardized courts and standardized people's tribunals last year. A provincial standardized court construction meeting was also held on the spot. Experiences gained in the courts of Qingyuan County and the Yanjiao tribunal of Sanhe city court were promoted. All levels of courts were required to further enhance the concept of reform and opening up, the concept of making accomplishment, and the concept of building a career despite hardships. Vigorous efforts were dedicated to speeding up the development pace of the "two types of courts."

(2) The trial methods were reformed and the judicial level was improved. All levels of courts, based on the practical situation, continued to deepen the courts' self-reform. In gripping the structural arrangements, personnel management, law enforcement conditions, and other reforms, we focused on the trial method reform, especially on the reform of the trials of civil and economic cases. The province's courts were required to try and handle cases in open court if it was required by the law to do so and gradually turn this practice into a routine and a system.

(3) We insisted on administering the courts strictly, strengthening scientific management, and creating a good image for the people's court. All levels of people's courts carried out the responsibility system of the management of targets. The systems of separating case registration and trial and separating trial and enforcement were further established and improved. Work relations were smoothed out while stringent case handling procedures were enforced. The provincial court and the various levels of intermediate courts also strengthened the inspection and supervision of the lower courts. Major law and discipline enforcement inspection continued to develop. The provincial court required the province's courts to measure up with high standards to whatever job they were doing. They were asked to build a first-class contingent, produce first-class performance, and provide a first-class service. Last year, the number of cases registered and concluded by the province's courts was the highest in history. The file management work done by the courts was commended by the Supreme Court. The supreme court also circulated a notice of commendation on the judicial statistic work.

All levels of the people's courts voluntarily subjected themselves to supervision of the provincial people's congress and its standing committee. They took an active role in reporting their work to the provincial people's congress. They energetically handled the cases given or transferred to them by the provincial people's congress and the provincial committee of the Chinese People's Political Consultative Conference. They strengthened the ties with the law enforcement inspectors and listened to their suggestions and opinion regarding the courts' work with an open mind. Many courts even made door-to-door visits, held symposiums, sent out suggestion invitation cards, and adopted other means to get inspection from various sectors of society and people. All levels of courts adopted effective measures to deal with problems that caused strong repercussion from various social sectors so as to improve the situation.

In 1995, the province's courts accomplished certain results in their tasks. However, there is still a definite difference between the results and expectations of the party and the people. There are still many problems and deficiencies in our work. The following are the main problems and deficiencies: The situation in which individual courts have handled cases in isolation and made compromise in handling cases still exists. The concept of serving the people voluntarily or taking an active role in serving the people is still weak. There are a few places not enforcing the law strictly and not judging cases fairly. Some cases were not being handled promptly. The quality and efficiency of case handling are awaiting to be further improved. Some serious individual crimes are punished lightly and some economic crimes that are not supposed to be given suspended sentences are handed down with suspended sentences. Problems in connection with fights over the right to handle certain economic cases and over jurisdiction are not totally eliminated. The difficulties and confusions regarding administration, the abusive use of compulsory measures, and the problems of putting hostages in custody still exist in certain areas. There are still a few police cadres who take bribes, practice favoritism, and consider personal connections when handling cases. They might even bend the law for personal gains. The construction of the two types of courts are not developing in proportion. Some courts' work conditions are very simple. Their transportation and communication equipment are outdated and the situation of funding shortage in case handling is not fundamentally changed. A contradiction in which there are insufficient judges but their judgment tasks are heavy is still relatively notable. These problems should be earnestly resolved in our work in the future.

IV. Vitalize the Spirit and Work Diligently To Get the 1996 Courts' Work Done

The year 1996 is the first year to implement the Ninth Five-Year Plan. It is also the first year to realize the trans-century long-term targets for the country and the province. The province's courts must voluntarily persist in carrying out the basic theory, the basic line, and the basic principle of the party. We must fully recognize the current situation and current tasks we are facing now. We must increase the sense of urgency and sense of duty in order to ensure that all tasks will have a good start and to lay a solid foundation for accomplishing the tasks of the courts smoothly in the future. The focus of the 1996 tasks are to work on trial and judgment, to build the contingent, to work at the grass-root level, to maintain stability, to promote development, and to create a good image.

(1) The various trial tasks should be propelled in full force. A better and more effective judicial protection and service will be provided for reform, development, and maintaining stability. All of the province's courts should focus on the overall work of the party and the country properly. We must properly recognize the relations among reform, development, and stability. We must adhere to the central principle of obeying and serving economic development. The court actions should be based on whether it is beneficial to political stability and social stability, beneficial to reform and opening up, and beneficial to economic development. These factors should also be taken as the final goal and the fundamental standard for work inspection. The concept of serving should continuously be heightened so as to improve the service level. The job of maintaining social stability should be taken as the most important task. The crackdown struggle should be developed with unremitting efforts. The crackdown principle of dealing severe and rapid blows to crimes according to the law should be unswervingly applied to the whole trial process of criminal cases. Criminal activities that seriously endanger the country's security or damage the social order should be harshly punished. Special struggles should be carried out promptly. It is imperative to stop the rampaging criminals. The momentum of the crackdown movement must be maintained and the force of the crackdown should be stepped up. Death sentences will be definitely given to those who deserve the punishment without mercy. The province must finish three large-scale activities to pronounce sentences before the end of April, September, and December. This will amplify the social effects of the handling of the big cases. We must resolutely follow the plan and requirements of the party Central Committee and the provincial party committee to deepen the anticorruption struggle development and continue to carry out the principle of giving harsh punishment to criminals according to the law. Criminal activities such as corruption and bribery must be dealt with stern blows. Serious crackdown must be carried out to stamp out criminal activities that are obstructing reform and opening up and threatening economic order. The trial of major and serious cases must be done properly. Economic criminals whose crimes involved large sums of money, heinous plots, and caused serious damaging effects must be punished stringently. In dealing with the economic criminals, in addition to giving them sentences according to the law, it is also necessary to confiscate their estates, fine them, and apply other forms of financial punishment according to the law. The illicit money and materials obtained illegally by the criminals must be tracked down and taken back. We must absolutely prevent the criminals from making any economic gains. The principle of "taking both crackdown and precaution actions, work-

ing on both symptoms and causes, and emphasizing on ferreting out the roots of the problems" must be insisted upon. The functions of trial and judgment should be brought into full play. The comprehensive management of social order should be energetically participated. The various comprehensive management measures concerning trial work must be earnestly implemented. Therefore, these management measures will be regularized and systemized and be able to secure a stable and united situation.

The economic trial tasks must affirm the ideology of facilitating the two fundamental changes for the economic system and economic growth mode. It must bring the trial functions into full play, regulate the economic relations according to the law, standardize market behaviors, protect fair competition, maintain the market order, and promote economic development. Various civil cases, especially those cases that seriously affect production, have an impact on people's living, and involve contradictions that can easily be escalated, should be tried properly, legally, and promptly. Socialist public ethics and family values must be maintained. Those behaviors that violate the civil laws must be punished. Stability and solidarity must be advocated. The scope of acceptable administrative cases should be further expanded. Relations between the government and the people must be harmonized. The administrative organs should be supported and supervised to ensure that they administer according to the law. The legal rights of the parties involved in cases must be protected from being infringed. A positive and prudent attitude should be adopted to receive and try the national compensation cases. Extensive efforts should be devoted to enhancing the appeal work and resolve the problems regarding filing law suits. Great attentions must be paid to reducing repeated letters, repeated visits, and complaints filed to the higher levels. The trial supervision mechanism should be further strengthened. The supervision duty must be taken seriously and the supervision level should be raised and improved. We must persist in enforcing the law strictly and handling cases fairly. The quality, efficiency, and social effects of case handling must be enhanced with relentless efforts.

(2) The judge law must be implemented and carried out seriously. Contingent construction should be strengthened vigorously. The people's court must build a good image that represents justice, honesty, openness, and high efficiency. In the new year, the province's courts should focus on learning, politics, and morality, and deepen ideological and political development. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics must resolutely be used to arm people's mind. The situation in which one concerns only

about professional work without paying attention to politics or even moves toward a wrong direction must be prevented. The movements of "three study, three examination, three overcoming, and insisting on one principle" and "thinking about the people, loving the people, and doing things for the people" must be deepened. The "water-and-fish project" must be carried out. By doing all of them, the task of making contacts with the people and serving the people will become a voluntary act of the courts' police cadres. Construction of honest administration should be further enhanced. The three bans, the eight prohibitions, and the 13 types of forbidden conducts for the judges listed in the "judge law" must be strictly enforced. All levels of leaders in the courts should set an example and lead other people to keep enhancing self-development. The power vested in the system of investigating the two types of wrongly handled cases should be strengthened. Cases involving law and discipline violation must be investigated and handled seriously. We must set a good example, commend the advanced, promote a healthy trend, and do a proper job in personnel selection.

(3) The reform in trial methods should be developed in all aspects. The systems can be used to guarantee openness while openness can warrant fairness. Starting from this year, all levels of the province's courts must follow the requirements of the reformed trial methods when trying civil cases, economic cases, and administrative cases. We should also explore the reforms in trying criminal cases. The presidents and chief judges of the various levels of courts should open court sessions, participate in court sessions, nurture a good habit, and form good systems. This will also propel the reform and development of all other tasks.

(4) The implementation of the "enforcement work regulations for Hebei Provincial People's Court" passed by the standing committee for the provincial people's congress should be taken as the juncture. Hence, the enforcement work can be further enhanced and improved.

(5) The basic work of the grass-roots level must be further strengthened, and extensive efforts should be devoted to carrying out the work.

PRC: Hebei Secretary on Leading Cadres' Honesty
SK0307013996 Shijiazhuang HEBEI RIBAO
in Chinese 7 Jun 96 p 1

[FBIS Translated Text] The provincial cases handling work conference of discipline inspection and supervisory organs was held on 5 June. A written speech of Cheng Weigao, secretary of the provincial party committee, was read at the conference. In his speech, Cheng Weigao urged all levels of leading cadres, particularly

party and government top leaders, to do a good job in managing not only themselves, but also persons under their charge.

Cheng Weigao said: It is a political demand on leading cadres to successfully manage themselves and guide the cadres' contingents. Achieving improvements in party style and administrative honesty and attending to the struggle against corruption is a necessary condition for ensuring a smooth progress of reform, opening up, and modernization. However, some leading cadres lacking a strong sense of party spirit or a clear understanding about political principles, fail to put this work in a proper position and even wrongly think that waging an anticorruption struggle can offend others and affect the development of the economy. So, they are not willing to realistically wage the struggle. All levels of leading cadres, particularly party and government to pleaders, should approach from the high plane of stressing politics to understand the great significance of waging the anticorruption struggle, regard this work as a key political task for strengthening the party building and the construction of the political power, and realistically and firmly attend to it. Whether principal leading cadres can manage themselves well and be conscientious for their work is the key to grasping the struggle against corruption, and whether leading cadres can manage themselves well and set a good example directly affects party style and social practice. Our party is an example for society as a whole, the leading party cadres at various levels are examples for the entire party, and all levels of leading cadres are the example for the broad masses of the people. Therefore, all levels of leading cadres should always be the first to be honest and self-disciplined, have lofty moral sentiments, and set a good example for the broad masses of party members and cadres. If not, they will lose their leadership in the struggle against corruption and will no longer be qualified for their positions. At the time of being administratively honest, all levels of leading cadres, particularly top leaders, must assume full responsibility for firmly improving their localities and departments' party style and administrative honesty and firmly attend to the struggle against corruption. This is the most basic requirement for all leading cadres as well as a key indicator for judging the political firmness of leading cadres.

Cheng Weigao stressed: Leading cadres should set an example, set strict demands on themselves, and play an exemplary role. First, the key to strictly enforcing political discipline is to persist in an accurate political orientation and an accurate political stand and to ideologically and politically act in unison with the party Central Committee with Comrade Jiang Zemin as its nucleus.

In doing practical work, the principal party and government leaders of all departments should consciously persist in the policy of paying firm attention to both political and economic tasks; well handle the relationship between reform, development, and stability, between politics and the economy, and between the anticorruption struggle and reform, opening up, and economic construction; comprehensively implement the party's basic line; and ensure smooth implementation of the central political order. Second, leading cadres should manage themselves well and be the first to be self-disciplined. The implementation of the Central Discipline Inspection Commission's related regulations and the elimination of the problems of leading cadres abusing power to build private houses should be taken as key contents of the democratic political activities launched in the first half of the year. The cadres at or above the county and section level should conscientiously conduct self-examination and make self-correction, be the first to do what they ask others to do and to observe the prohibitions which they set on others, and take the lead in correcting what they ask others to correct. The leading cadres will not be qualified to manage others when they fail to solve their housing and vehicle-related problems. Solving leading cadres' housing problems should be taken as a key indicator for judging whether all levels of leading cadres are administratively honest and self-disciplined this year. Third, leading cadres should do a good job in managing their spouses and children and the persons under their charges. Leading cadres' spouses, children, and subordinates, particularly those of senior leading cadres, have special characteristics in society. So, their words, deeds, and images will directly affect the images of leading cadres, as well as the party and government. Therefore, all levels of leading cadres should do a good job in managing not only themselves but also their spouses, children, and subordinates. The party and government have formulated regulations on strictly banning leading cadres' spouses and children from running enterprises. We should strictly abide by the regulations in this aspect. Leading cadres should persist in principles; pass the test of human relations; ensure that their spouses, children, and subordinates will not have a bad influence on the performance of their official duties and rights; and ensure that they will not abuse their positions to seek privilege in sending their children to schools of a higher level, seeking jobs for their children, distributing houses, promoting cadres, and engaging in business. Those with such problems should be the first to make corrections in order to redeem their reputation. Leading cadres must not harbor or cover up the unlawful and undisciplined activities related to their spouses, children, and subordinates; nor plead mercy for them; but should positively support related departments as they handle

them according to the law and the standards of discipline.

All levels of leading cadres should not only be the first to enforce the political discipline and various regulations on administrative honesty and self-discipline, but also always pay attention to examining their words and deeds; foster an accurate outlook on the world, life, and value; enhance devotion to their work; divorce themselves from vulgar tastes; keep a long distance from the scene of debauchery and pornography; be sure neither to visit the places where they must not go and nor to do what they must not do; be sure to respect, examine, warn, and encourage each other; ideologically build a great wall against corruption and peaceful evolution; and enthusiastically devote themselves to the great cause of building socialism with Chinese characteristics.

Leading cadres should do a good job in managing both leading bodies and the persons under their charges and should realistically assume the responsibility for leading the anticorruption struggle. Whether party and government top leaders can manage their leading bodies, can attend to the work of their localities and departments in waging the struggle against corruption, and can realistically persist in the principle on firmly attending to politics and the economy is a specific indicator for judging their political quality and skills. To manage leading bodies well, we should first pay attention to leading cadres' political study, ideological education, administrative honesty, and self-discipline; ceaselessly improving their political quality, thinking, and work styles; having members of leading bodies exchange ideas in a frank manner; and calling attention to their problems. Leading cadres should strengthen supervision over themselves, give criticisms and restrictions when necessary, try every possible means to solve problems in the bud, and upgrade their ability in resisting various corrosive ideas, corruption, and peaceful evolution. Second, we should realistically solve the problems related to leading cadres, have the daring to expose corrosive phenomena, strictly conduct criticism, and wage a stern struggle. In handling the undisciplined problems related to members of leading bodies, we should persist in principles, have no consideration for personal feelings, conduct investigations, and resolutely handle them. As for serious problems related to members of leading bodies of localities and departments, principal leaders should assume responsibility for their cases and conduct self-criticism. Those seriously practicing bureaucracy, neglecting duties, and violating discipline should be handled, and their leaders should be called to account.

Each and every leading cadre, particularly top leaders, should ideologically pay high attention to the serious problems within their localities and departments, as reported, disclosed, and reflected strongly by the masses; adopt resolute measures to handle these problems; ensure that these problems are not covered up; and organize forces as quickly as possible to investigate and handle them. Principal leaders who are not investigating or handling the problems within their localities and departments should be called into account. Improving party style and administrative honesty, particularly investigating and handling cases, should be regarded as a key content of the leading cadres' year-end work assessments. Units that fail to solve the problems in this aspect cannot be commended as advanced units. In selecting and promoting cadres, organizational departments should regard leading cadres' achievements in improving their localities, departments, and units' party style and administrative honesty as a key aspect; and must not promote the leaders of the localities and departments with serious corrosive phenomena and unhealthy trends.

PRC: Hebei Holds Township Enterprise Conference
SK1007080396 Shijiazhuang HEBEI RIBAO
in Chinese 25 Jun 96 pp 1, 2

[By reporters Kang Enhua (1660 1869 5478) and Zhao Jujiang (6392 5112 3068)]

[FBIS Translated Text] The provincial conference of backbone township enterprises and the conference on township enterprise work were combined, and the conference opened on 24 June. The major tasks of the conference were to comprehensively summarize Hebei's township enterprise development during the Eighth Five-Year Plan period, analyze the new conditions facing township enterprises, and arrange township enterprise work for 1996 and for the Ninth Five-Year Plan period. Attending the conference were provincial leaders, including Cheng Weigao, Li Bingliang, Jiang Dianwu, Chen Liyou, Guo Shichang, and Zhao Huichen; comrades in charge of various cities, prefectures, and provincial departments; directors and managers from Hebei's 1,000 backbone township enterprises; and directors and managers of 100 superior enterprises.

The presidents and general managers of Jiangsu's Yangguang Wool Group, Zhejiang's Wanxiang Group, Jiangsu's Hongdou Group, and Ningbo's Yageer Group were invited to introduce their experiences. Their success in developing advantages to create glory, expanding scale to create brand names, and aiming at the market to create big business evoked strong reactions among the participants.

Li Bingliang, deputy secretary of the provincial party committee, chaired the 24 June session. Vice Governor Chen Liyou gave a speech.

In his speech, Chen Liyou reviewed and objectively analyzed Hebei township enterprises' development during the Eighth Five-Year Plan period. He pointed out: Despite the great achievements we won during the Eighth Five-Year Plan period, we still lagged far behind the national average, particularly behind advanced provinces and municipalities, and there are still some problems requiring urgent solutions. First is the small scale of our township enterprises. The average annual output value of our township enterprises is a mere 184,000 yuan, which is 246,000 yuan and 756,000 yuan lower than that of Shandong and Jiangsu, respectively. Second is the irrational product mix. The large proportion of the primary processed and low-grade products in the product mix of Hebei's township enterprises and the small proportion of highly processed products and high-grade brand-name products with high technological levels and added values have resulted in a lack of competitive advantage for some products. Third is the low technological and managerial level. According to initial statistics, a mere 40 percent of Hebei's township enterprises have a technological level or equipment that is up to domestic-level standards of the 1980's. Many of our township enterprises stay at the workshop level. Fourth is sluggish development of the export-oriented economy. In 1995, the value of exports of Hebei's township enterprises accounted for merely 3.7 percent of their total output value, which was 4.8 percentage points lower than the national average; our foreign-funded township enterprises accounted for merely 2.6 percent of the total foreign-funded township enterprises in the country; and their actual foreign capital input accounted for merely 2.1 percent of the total foreign capital input of China's township enterprises. Fifth is the slow progress in reform. Sixth is the uneven development in different places.

Speaking on the conditions and ideas for township enterprise development during the Ninth Five-Year Plan period, Chen Liyou emphasized: Expediting township enterprise development during the Ninth Five-Year Plan period is very important, because it determines our endeavor to achieve moderate prosperity and build an economically strong province within this century. This year is the first year of the Ninth Five-Year Plan. How this year's work is accomplished and whether we can create a good beginning have a very important bearing on our efforts to attain the development targets for the Ninth Five-Year Plan. Therefore, we should pay close attention to our work from the start and never slacken efforts in the slightest. The general requirements for Hebei's

township enterprise development during the Ninth Five-Year Plan are to thoroughly implement the guidelines of the Fifth Plenary Session of the 14th CPC Central Committee and the fifth provincial party congress, persistently make market demand the guide and improving efficiency the central task, deepen reform, implement the two major strategies, and facilitate the two fundamental changes; and also achieve development and improvement simultaneously, strengthen categorized guidance, achieve breakthroughs in key areas, and bring about the rapid development of Hebei's township enterprises. For those localities and enterprises starting early and with certain scales, we should ensure the "operation from a high starting point." Implementing the project of "reform, reorganization, remold, improving management, and promoting enterprise quality and overall level," as the breakthrough point, we can make enterprises expand their scales, emerge into groups, and orient to science, technology, and exports. For those enterprises starting late and developing slowly, it is imperative for them to unswervingly stick to the idea of large-scale development, accelerate development, and promote themselves through development.

Chen Liyou pointed out that the major targets of the development of township enterprises province-wide in the Ninth Five Year Plan period are: The total demand and supply will grow in a speedy manner. The total output value and income of township enterprises of Hebei should increase 25 percent annually, and the added value and taxes 20 percent. Up to the year 2000, the total output value, income, added value, and taxes should, respectively, reach 1,069.6 billion yuan, 999.2 billion yuan, 218.2 billion yuan, and 12.6 billion yuan. The proportion of the added value of township enterprises in the GDP of Hebei will increase from 30.8 percent at the end of the Eighth Five Year Plan period to 45 percent. New breakthroughs will be achieved in reform. Enterprises with larger scales and export-oriented economies will see fairly fast development. Up to the year 2000, share-holding companies and share-holding cooperative companies will account for more than 80 percent. Business with income exceeding 10 million yuan will reach 3,500, increasing 35 annually, on average. Enterprises with over 100 million yuan in income will hit 500, increasing 80 annually, on average. Goods valued 47.8 billion yuan will be delivered for exports, increasing at an average rate of 30 percent a year. The newly-established "three types of foreign-funded enterprises" will reach 3,000, with foreign funds adding up to 2 billion yuan. The income of peasants will see hikes, and the collective economy will witness fairly fast growth. At the end of the Ninth Five Year Plan period, the staff members and workers of township enterprises will hit 11.52 million. On average, 600,000

labor forces from rural areas will be absorbed into township enterprises a year, and its proportion in the overall rural labor forces will increase from 33.2 percent to 40 percent. The funds of township enterprises pay to peasants through the form of salary will account for 49 percent in the peasants' net per capita income, up from the 30 percent. The collective income every township (town) and village receives from township enterprises will top 1 million yuan and 100,000 yuan, respectively.

The targets for this year are: The total output value and income of township enterprises province-wide should achieve an average increase of 30 percent a year, reaching 455.6 billion yuan and 425.6 billion yuan, respectively. The added-value and taxes should grow 20 percent, hitting, respectively, 105.2 billion yuan and 6 billion yuan. The staff members and workers of township enterprises should total 9.1 million.

Chen Liyou emphasized that it is imperative to pay attention to the following tasks in a bid to accelerate the development of township enterprises in the Ninth Five Year Plan period. First, we should provide guidance in line with their different situations, and make breakthroughs in key areas. That is, we should implement the project of "reform, reorganization, remold, and improving enterprises' quality and overall level" in one thousand backbone township enterprises. We should promote township enterprises to expand their scale and upgrade their level. We should develop the drive of pushing township enterprises of counties (cities, districts) to a new height in the levels of their kinds, and work hard to accelerate the development of township enterprises in relatively advanced areas, while township enterprises in less developed areas should also be promoted to start and develop. Second, we should accelerate the impetus for reform, again forming the superiority of the township enterprise mechanism. In other words, we should speed up the reform of the property rights system of enterprises. The key point is to follow the "company law" and the "regulation for the share-holding cooperative company in rural areas of Hebei," move forward the share-holding system and the share-holding cooperative system, and deepen the reform of the managerial mechanism of enterprises. In light of the requirements of the market economy, we should eliminate the malpractice and drawbacks of township enterprises, perfect and optimize the managerial mechanism of township enterprises, and increase their vitality. Third, we should accelerate structural adjustment and develop an appropriate scale of operation. That is, we should optimize production and industrial structures and greatly develop the primary and tertiary industries while actively expanding the secondary industry; we should achieve success in developing new products and create our brand names

to change once and for all Hebei township enterprises' lack of brand names; and we should develop large-scale enterprises and enterprise groups more rapidly. By implementing the project of "reform, reorganization, technical transformation, managerial improvement, and upgrading of quality and overall level" at the 1,000 backbone enterprises, we should help a number of backbone enterprises develop toward a larger scale at a faster rate. We should also actively facilitate the construction of small township enterprise zones. By the end of the Ninth Five-Year Plan period, 280 small township enterprise zones whose annual output value exceeds 500 million yuan each should be built throughout the province. Fourth, we should implement the strategy of "developing enterprises with science and education" and promote scientific and technological advance. This means that we should accelerate the technical transformation of enterprises. More than 60 percent of the funds invested in township enterprises every year should be earmarked for technical transformation; and success should be achieved in the development, dissemination, and application of scientific and technological achievements. Association and cooperation of township enterprises with colleges and universities, scientific research units, and state-owned large and medium enterprises should be greatly promoted so that advanced and applicable research findings can be converted more rapidly. Contingents of scientific and technical personnel should be built faster and workers' quality should be improved. All backbone enterprises should make the best of the current large number of graduates from universities and secondary specialized schools and carry out preferential policies to draw in more such graduates to work and develop their talents at township enterprises. Training of township enterprise workers should be intensified. Fifth, we should implement the strategy of promoting all work through the export-oriented economy, forcefully facilitate our opening to the outside world, and achieve faster development in the export-oriented economy. In other words, we should greatly develop foreign exchange-earning enterprises and strive to expand exports. We should particularly improve the 100 foreign exchange-earning enterprises whose export goods is valued at 10 million yuan or more a year and, at the same time, cultivate a number of enterprises whose export goods is valued at 100 million yuan or more a year. We should make active efforts to bring in investment from abroad to develop ourselves. The 1,000 backbone enterprises should do a good job in carrying out technical transformation with foreign capital and improve their investment climate to make themselves more attractive to foreign investment. Sixth, we should learn from the experience of the Handan Iron and Steel Works to strengthen enterprise management. The ex-

perience of Handan Iron and Steel Works should be widely introduced to township enterprises. We should organize and guide enterprises to put more efforts into improving management and skills and to establish and improve various special management systems, such as the analog cost accounting system and systems for management of funds, production, marketing, quality, equipment, production safety, and environmental protection, so that they can make their management more scientific and standardized, reduce cost, increase efficiency, and speed up development. Seventh, we should raise funds and increase investment from diverse channels to enhance the capacity for sustained development. In other words, we should expand the channels for raising funds to be invested in township enterprises. Through property mortgage and joint guaranty, we should actively strive for bank support to expand the scale of loans. Lateral ties at home and opening to domestic places and foreign countries should be greatly promoted, and more flexible methods should be adopted to bring in more domestic and foreign funds and to increase the proportion of foreign capital. By implementing the shareholding system or cooperative shareholding system, we should expand shares and increase the funds raised from all social sectors. We should tap enterprises' potential for funds to enhance their capacity for investment by themselves; and actively probe new ways of investment and collect idle funds to develop township enterprises. We should enliven the use of reserve assets. After investigation to ascertain the actual conditions of local superior enterprises and enterprises of poor efficiency which earn small or no profits at all, we should reorganize township enterprises' reserve assets to optimize their alignment through such measures as action, leasing, mergers, transfer, and trust management. This way, idle assets will become more valuable and assets of poor efficiency will become highly efficient capital. Eighth, we should develop various ownerships simultaneously, attach importance to the development of collective economy, and bring about coordinated development of various sectors. While encouraging individual and private enterprises during the Ninth Five-Year Plan period, we should make unremitting efforts to develop rural collective enterprises to expand rural collective economy. The growth rate of Hebei's rural collective enterprises should be the same as that of the output value of township enterprises. Except for the particularly poor villages, the collective income from township enterprises of every town or township should reach 1 million yuan or more every year, and that of every administrative village should be 100,000 yuan or more.

PRC: Hebei's Ye Liansong Remarks on Environment

SK0907071096 Shijiazhuang HEBEI RIBAO
in Chinese 5 Jun 96 pp 1, 4

[Article by Ye Liansong, governor of Hebei, "Adhere to Basic National Policies, Strengthen Environmental Protection, and Realize Sustainable Development of Hebei's Economy, Society, and Environment"]

[FBIS Translated Text] The World Environmental Day falls on 5 June. The environment is a prerequisite for mankind's survival and development. Strengthening environmental protection is China's basic national policy. The Fifth Plenary Session of the 14th CPC Central Committee and the Fourth Session of the Eighth National People's Congress [NPC] have made it clear that we should regard sustainable development as a major strategy for economic and social development. They have also defined the targets and tasks for the Ninth Five-Year Plan and trans-century development. We should intensively carry out the guidelines of the Fifth Plenary Session of the 14th CPC Central Committee and of the Fourth Session of the Eighth NPC, further strengthen the awareness of environmental protection as a basic national policy, expedite the implementation of a sustainable development strategy, intensively carry out Hebei's environmental protection work, do a better job in promoting the two fundamental changes, and give impetus to coordinating the province's economic and social development.

I. Strengthening Environmental Protection Is a Requirement for Economic and Social Development and an Important Guarantee for Realizing Sustainable Development.

Since the beginning of the century, an extremely large increase in social productive forces and an unparalleled expansion in the scale of global economic construction have brought mankind an unprecedented material civilization. However, due to our neglect in protecting resources and in preventing and controlling pollution, the natural world has taken more and more reprisals against mankind. The crisis of environment and ecology is big and aggravating in the world, a fact shown by global warming, the destruction of the ozone layer, the increase in acid rain, desertification, the sharp decline in the number of species, pollution of the ocean and fresh water, and the transfer and danger of toxic chemicals. This has urged mankind to reexamine its development course and explore a new development strategy. At the United Nations environment and development global summit in June 1992, all participating countries unanimously selected sustainable development and regarded it as a common long-term development strategy for the future.

Its main requirements are: In the course of economic and social development, we should attach great importance to protecting the environment, to the permanent and sustainable utilization of natural resources, and to rational population control. In addition, we should explore ways to promote the coordination of the population, the economy, society, the environment, and resources and to consider the interests of present and later generations. After the summit convened, the party Central Committee and the State Council approved and formulated 10 major countermeasures for China's environment and development and "China's 21st century agenda." This is a major policy decision made by the party Central Committee and the State Council after they comprehensively analyzed the current situation and the trend of China's economic and social development, a necessary choice for realizing China's modernization, and an important issue we should pay great attention to and firmly grasp in the course of expediting development.

At present, Hebei Province is at the stage of expediting industrialization and urbanization, therefore, the sustained and rapid economic growth has unceasingly had a great impact on the environment. In recent years, party committees and governments at all levels have universally paid more attention to environmental protection and done lots of effective work so that the quality of urban environment has seen an initial improvement, nature reserves have been expanded step by step, forested areas have increased, some hot and difficult problems arising from environmental protection work have been resolved, and aggravating environmental pollution has eased to some extent. But the situation regarding environmental protection in Hebei is still grim. The responsible comrades of some places and departments are indifferent to the national policy of environmental protection, so environmental pollution there is more serious. At present, the air quality in almost all cities under the jurisdiction of the provincial government is below the standard stipulated by the state, the 35 major rivers and 16 lakes across the province are polluted to varying degrees, garbage and noise has greatly impaired the lives of urban dwellers, the incidence rate of disease caused by pollution has increased, and such serious problems as desertification, erosion, and the destruction of natural environment have not been fundamentally resolved. Therefore, we should pay great attention to the situations mentioned above.

Strengthening environmental protection is a basic national policy we should adhere to on a long-term basis in future development. We should fully recognize that strengthening environmental protection is an important guarantee for realizing sustainable development. In the course of rapid economic development, if we fail to ef-

fectively protect the environment or to pay attention to the rational exploitation and the effective utilization of resources, the implementation of a sustainable development strategy will be adversely affected. In particular, Hebei's water resources are insufficient, so the pollution of ground water would further aggravate the water shortage and affect the sustained, rapid, and healthy development of the economy. Strengthening environmental protection is a requirement for transforming the economic growth model, because many characteristics of the extensive way of management often show up in the form of pollution. The key to promoting a shift from an extensive economic growth model to an intensive economic growth model is to abandon a production and management model featuring high investment, high consumption, low efficiency, and high pollution, and to effect an intensive production and management model characterized by saving energy, reducing consumption, increasing efficiency, and reducing pollution. Strengthening environmental protection is a major step for opening our province wider to the outside world. At present, international economic and trade cooperation has set more demands on environmental protection, some countries regard environmental protection as a new "nontariff trade barrier," and some international financial organizations and foreign governments have made environmental protection an important condition for loans and cooperation. Therefore, whether we can considerably improve environmental quality is of great importance to opening our province wider to the outside world. Strengthening environmental protection is an objective demand in making people live a relatively comfortable life, which not only includes an increase in income but also includes improving the living environment, living quality, and the health level. If we focus on increasing income at the expense of the environment, although people's incomes have increased, people will still live in a seriously polluted environment. Thus, they still cannot enjoy a relatively comfortable life. Hence, we should further enhance the people's environmental awareness, strengthen the consciousness of regarding environmental protection as a basic national policy, and endeavor to push environmental protection work to a new level.

II. Realistically Do a Good Job in Resolving Environmental Problems That Seriously Affect the Economic Environment and People's Livelihood In Order To Promote the Coordinated Development of Environmental Protection and Economic Construction.

The top task for maintaining sustainable development is development. At present and for quite a long time to come, we should unswervingly put economic develop-

ment first and carry out various tasks in close accordance with economic construction. At the same time, we should lay equal stress on present and long-term development, place environmental protection in an important position, and promote the mutual coordination of economic construction, population, resources, and the environment so as to realize a virtuous circle. At present and for some time to come, in the course of carrying out Hebei's environmental protection work, we should conscientiously carry out the guiding principle of simultaneously planning, carrying out, and developing economic and environmental construction. We should focus on effecting the two changes, expedite implementation of the plan for "clean water, blue sky, and green land," and make special efforts to energetically resolve environmental problems that seriously affect economic development and people's lives. For this, we should pay attention to the following three aspects. First, we should pay close attention to preventing and controlling industrial pollution. In line with the state's industrial policy and industrial restructuring, we should rely on scientific and technological progress and intensify efforts to control structural pollution. We should ask enterprises that cause serious pollution but have no effective measures to control pollution, those that fail to control pollution because the cost is too high, or those whose geographical distribution is unreasonable, thus disturbing people's lives, to close down, stop operations, merge, switch to making other products, or move to other places. At the same time, we should strictly control the emergence of new pollution sources and never take the path of "pollution first, control second." For all projects which are newly built, expanded, or rebuilt, as well as for all resource development projects, we should persist in simultaneously designing, constructing, and operating the major parts of these projects and their facilities for pollution prevention and control. Besides, we should also adopt advanced measures of high technological level as much as possible, measures that consume few energy resources and materials and create little pollution. Second, we should pay close attention to the comprehensive management of the urban environment. Various city governments should bring comprehensive environment management in line with the overall plan for urban construction, collect funds from various sectors, and expedite construction of pollution control projects. In particular, they should expedite construction of sewage treatment plants, garbage treatment plants, and the central heating and gas supply project; actively do a good job in making urban areas green and building hard-surface roads; strictly control emissions and noise pollution from motor vehicles; and endeavor to considerably improve the quality of the urban environment. Third, we should pay close attention to pro-

tecting the natural environment. We should rationally exploit, use, and protect natural resources as well as resolutely forbid their arbitrary exploitation and use. We should energetically develop ecological agriculture, expedite the comprehensive management of areas afflicted by soil erosion and the construction of shelter belts, and quicken the pace of protecting rivers and sources of drinking water. We should focus on afforesting areas around Beijing and Shijiazhuang cities, Taihang Han, coastal areas, and plains, as well as building nature reserves and ecological counties. We should ensure that the province's forest coverage reaches 23 percent, and that nature reserves account for 2 percent of our total area.

III. Strengthen Leadership, Strengthen Law Enforcement, and Really Carry Out Basic National Policies

Attending to environmental protection is an important responsibility of governments at all levels. Governments at all levels should take the whole situation into account, realistically put environmental protection high on the agenda, successfully carry it out, and ensure that this basic national policy will be carried out in areas under their jurisdiction. We should further perfect the responsibility system for attaining given targets in environmental protection. We should persist in making main leaders personally attend to this work and having responsible leaders realistically carry it out. We should select one or two environmental issues with a great impact and a close bearing on the interests of the masses and make a breakthrough in them, as well as achieve real effect and set an example in tackling them. We should increase inputs for environmental protection through such channels as funds raised from the enterprises themselves, government investment, foreign capital imports, and bank loans. The provincial government will start to study the issue of establishing environmental protection funds for the "clean water, blue sky, and green land" plan, so various cities, prefectures, and counties should also pay close attention to formulating measures for raising environmental protection funds from various channels. We should realistically intensify efforts to build environmental protection organs and contingents, as well as unceasingly enhance their political and vocational quality so that environmental protection departments can carry out and accomplish the important duties which the party committee and government have entrusted to them. We should continuously carry out law-enforcement inspections of environmental protection work in an endeavor to resolve a number of hot and difficult problems. We should severely investigate and deal with according to the law major pollution accidents causing strong resentment from the masses, particularly major accidents that

cause serious pollution, arise from the interests of individuals or a few people, and impair the subsistence rights and interests of the great majority of people. We should continuously carry out the "century's journal for Hebei environmental protection" activity, energetically publicize laws and regulations concerning environmental protection, and endeavor to increase the whole people's consciousness of environmental protection. We should realistically strengthen the environmental education and training of cadres at all levels and enterprise managers, further enhance their awareness of carrying out environmental laws and regulations, and endeavor to form a good trend in society of "considering it glorious to protect the environment and shameful to pollute and destroy the environment."

Environmental protection is a grand undertaking benefiting the present age and future generations. With the spirit of taking full responsibility for the state and people, we should realistically and effectively attend to various tasks, advance the quality of Hebei's environment protection to a new level as soon as possible, and realize a mutual coordination and the sustainable development of the economy, society, and environment in order to make an unremitting effort to build Hebei into an economically strong province and make Hebei's sky always blue, land always green, and water always clean.

PRC: Inner Mongolia Organization Work Successful

OW0507004696 Beijing RENMIN RIBAO in Chinese
12 Jun 96 p 3

[Report by Qu Zu (3255 4809): "Inner Mongolia Opens up New Vistas for Organization and Personnel Work — Organization Building Has Been Conducted in Down-to-Earth Manner and Leading Cadres Publicly Elected"]

[PTS Translated Text for FBIS] The party organizations at all levels in Inner Mongolia Autonomous Region have conscientiously implemented spirit of the Fourth and Fifth Plenary Sessions of the 14th CPC Central Committee by vigorously stepping up party organizations building with fruitful results, thus providing a strong organization guarantee for expediting regional economic and social development.

The building of leading organizations has yielded fruitful results. First, the autonomous region has succeeded in selecting leading cadres who are below the average age. The number of young and middle-aged leading party and government cadres at and below 45 years of age in league cities rose by 5.15 percent while the number of leading party and government cadres between 55 and 59 in league cities fell by 5.22 percent in 1995 as compared with 1990. The number of young

and middle-aged leading party and government cadres at or below 45 years of age in regional departments and bureaus rose by 2.98 percent during this period; Second, the autonomous region has fostered a better educated contingent of cadres. The number of leading party and government cadres with tertiary or higher education in league cities rose by 14.75 percent while the number of leading party and government cadres with high school or lower education fell by 6.03 percent in 1995 as compared with 1990. The number of leading party and government cadres with polytechnic school or tertiary education in regional departments and bureaus rose by 17.46 percent during this period; Third, the autonomous region has fostered a more rationally structured contingent of cadres of all nationalities. By the end of 1995, the number of cadres of ethnic minorities in the region had reached 166,300, accounting for 23.3 percent of the region's total number of cadres, while the number of scientific and technological cadres of ethnic minorities in the region had reached 103,000, accounting for 21.91 percent of the region's total. Some 28,000 scientific and technological cadres of ethnic minorities in the region had obtained senior or intermediate technical titles, accounting for 21 percent of the region's total. At present, cadres of ethnic minorities account for some 47.83 percent among leading cadres in charge of regional-level leading bodies, including regional party committee, people's congress, people's government, and Chinese People's Political Consultative Conference committee. The number of cadres of ethnic minorities account for more than 40 percent among leading cadres in charge of league cities and banner counties; Fourth, the autonomous region has reinforced leading bodies of state-owned enterprises. In 1995, a total of 204 large and medium-sized state-owned enterprises in the region suffered losses, of which some 77 enterprises suffered losses due to poor management. In view of this situation, the autonomous region extensively readjusted and rectified leading bodies of loss-making state-owned enterprises by replacing some 323 party and government leaders in these enterprises, including 145 principal leaders.

Grassroots organization building has proceeded in a down-to-earth manner. The autonomous region has established a grassroots organization-building conference system. The party committees at all levels across the region, including those at SU MU [5685 2606], township, town, and regional levels, have established an organization-building responsibility system. The region has also rectified weak and lax party branches in rural and pastoral areas in a planned way and on a large scale. By the end of 1995, the autonomous region had replaced a total of 5,751 party branch secretaries. As a result of rectification, some 3,062 party branches in

the region had taken a fundamental turn for the better, accounting for over 50 percent of the region's total. In addition, the autonomous region has also attached great importance to recruiting party members in the forefront of production. Since 1990, the autonomous region has recruited a total of 138,992 party members in the forefront of production, scientific research, and teaching, accounting for 64.85 percent of the region's total recruited during this period.

Cadres' personnel system reform has taken a big step forward. The autonomous region has publicly selected and promoted leading cadres by virtue of "recommendation and dual examination." Last year, the region carried out an experiment by publicly selecting and promoting six deputy chiefs for the regional land management bureau, tourism bureau, and environmental protection bureau. This year, the region has been publicly selecting and promoting some 15 leading cadres at deputy regional department level for some 13 regional departments, including the regional planning commission. Moreover, the region has also established a performance appraisal system for leading bodies and leading cadres at league city level and regional department or bureau level. Now regionwide appraisal work is well under way.

***PRC: Inner Mongolia Editorial Views 'Two Increases'**

96CM0281 Hohhot NEIMENGGU RIBAO in Chinese, 15 Mar 96, p 1

[Editorial (no specific byline): "A Major Task in Taking Responsibility for the Overall Picture: On Bringing About 'Two Increases'"]

[Text] Bringing about "two increases" refers to raising treasury revenues and living standards for both urban and rural residents. These are the specific goals set forth by the Third (expanded) Plenary Session of the Sixth Central Committee of the Inner Mongolia Autonomous Region Communist Party Branch during discussions on the general socioeconomic goals of the Ninth Five-Year Plan. Bringing about the "two increases" will satisfy the basic requirements for developing socialism with distinctive Chinese characteristics and will be a specific action by the Autonomous Region to implement the basic line of the party. Carrying out the "two increases" should become a central focus of the region's continuing expanded study and expanded discussions on the development of socialist market economy theory. It should be a major political task for all ethnic groups in the entire region and should be carried out conscientiously to achieve results.

During the 50 years since the establishment of the Autonomous Region, the economic and social development of the entire region has been very rapid. Since the introduction of reform and opening, particularly dramatic changes and great achievements have been seen in all aspects of the Autonomous Region. Due to various historical and environmental reasons, however, Inner Mongolia's economy is currently still somewhat backward and lags far behind the developed areas. Gradually closing this gap and generating joint development, prosperity, and wealth for all ethnic groups is not only a major socioeconomic development issue but also a major political issue which is related to the overall context of reform, development, and stability. The most glaring contradictions which constrict the socioeconomic development of the region and the closing of the gap with the developed areas is the lack of financial resources at all levels of government and low income levels among the masses. Bringing about the "two increases" is therefore a particularly important and prominent issue in this Autonomous Region.

Comrade Deng Xiaoping has pointed out that the four modernizations are the greatest politics. The fundamental goals in establishing socialism and carrying out the four modernizations are to develop production power, gradually eliminate poverty, and continually raise the people's standard of living. The purpose of the Communist Party is to serve the people, to seek the interests of the masses. Everything that we do is to allow the masses to have better lives. Carrying out the "two increases" is precisely in the best interests of the broad masses of the entire Autonomous Region. We also know that widespread and reliable motivation among the masses can only be obtained by continually raising the living standards of the masses and by guaranteeing that they fully enjoy the fruits of reform, opening, and of modernization. Therefore, bringing about the "two increases" is a major task with great political significance and is part of taking complete responsibility for the overall picture. It is in keeping with the purpose of the party and with the fundamental goal of establishing socialism with distinctive Chinese characteristics.

The Inner Mongolia Autonomous Region is situated in the Northern border region of China and is in a frontline position in the opening to the outside world and in the struggle against the "splintering" and "westernization" induced by hostile Western forces. Bringing about the "two increases" has major significance in protecting the peace and stability of China's border regions, in frustrating the plots of hostile Western forces to "splinter" and "westernize" China, and in China's four modernizations.

Bringing about the "two increases" is the greatest politics. The key to our socioeconomic development can only be grasped by appreciating the great significance of bringing about the "two increases." The essence of the situation can only be understood through continued expanded study and expanded discussions on the development of socialist market economy theory with a focus on the "two increases." Bringing about the "two increases" was put forth by the Inner Mongolia Autonomous Region Communist Party Committee to carry out the spirit of the Central Committee on the basis of a consensus generated during last year's expanded study and discussions on socialist market economy theory. It is closely connected to actual practice in the Autonomous Region and is in keeping with conditions in the Autonomous Region. It embodies the shared wishes of the 22 million multiethnic people of the region and is a major strategic move by the Autonomous Region Party Committee to take responsibility for the big picture. We must continue to further deepen our expanded study and expanded discussion of socialist market economy theory to intensify the sense of urgency and awareness of opportunities. The spirit of the Fifth Plenary Session of the 14th Central Committee, of the Sixth Party Congress of the Autonomous Region and of the Third Plenary (Expanded) Session of the Sixth Central Committee of the Autonomous Region Communist Party must be used to unite the thinking of all the cadres and masses of all ethnic groups in the entire Inner Mongolia Autonomous Region, to recognize the important significance of bringing about the "two increases," to inspire the spirit of perseverance and self-reliance, to actively carry out the "two transformations," and to strive to bring about the "two increases" and complete the great mission bestowed upon us by history.

PRC: Shanxi Secretary's Speech at Party Plenum

SK0907053396 Taiyuan SHANXI RIBAO in Chinese
10 June 96 pp 1, 2

[Speech by Hu Fuguo, secretary of Shanxi Provincial Party Committee, to the second plenary session of the seventh provincial party committee on 9 June]

[FBIS Translated Text] The second plenary session of the seventh provincial party committee will close soon. Over the past few days, participating comrades have intensively discussed the main theme of this plenary session; taken the floor one after another; and proposed many good suggestions on the "three major tasks" of expanding opening up to the outside world, readjusting the structure, and tackling key problems on supporting the poor. Through the concerted efforts of all comrades, this plenary session has discussed and adopted three important documents and successfully

fulfilled various given tasks. In the next step, we will focus on conscientiously implementing the guidelines of this plenary session and carry out the tasks and measures proposed by this plenary session. Now, I would like to submit four suggestions concerning how to implement the work:

I. Unify Recognition of and Strengthen Confidence in Attending to the "Three Major Tasks"

The "three major tasks" of opening our province wider to the outside world, attending to industrial restructuring, and successfully tackling difficult problems in supporting the poor, including the difficulties in the lives of poor urban workers, have a close bearing on the overall situation in Shanxi Province. Concentrating on the "three major tasks" is an inexorable choice, an internal demand in effectively promoting the rapid and healthy development of the province's economy, a proper step for actively promoting the two fundamental changes, a major move to successfully attain Shanxi's trans-century grand targets, and an important guarantee for making Shanxi enter a new century with a new stance. Therefore, we should fully recognize the great significance in attending to the "three major tasks," unify our ideology and recognition with the guidelines of this plenary session, and realistically strengthen the consciousness of attending to the "three major tasks."

To attend to the "three major tasks," we should strengthen our confidence. We should notice that it is not easy to attend to the "three major tasks," because there are many difficulties and problems. However, we also have many advantageous conditions. First, the seventh provincial party congress and the fourth session of the eighth provincial people's congress have defined three-step development strategies and fighting targets for the next five years and further on through the next 15 years. The strategies and grand targets on catching up with advanced provinces have greatly inspired the people of the whole province. At present, a gratifying situation of going all out in a united spirit to build our province has emerged across the province. Second, since the first session of the seventh provincial party committee called for attending to the "three major tasks," the provincial party committee and government have organized relevant sectors to investigate and study in order to find out the real situation and formulate countermeasures. Particularly, this plenary session has not only helped us formulate more perfect plans, but also unified our ideology, and this has provided an important ideological and policy guarantee for attending to the "three major tasks." We should also notice that while investigating and studying, we have done some practical work, and a

good trend of attending to the "three major tasks" has been formed. Third, through our endeavors to curb inflation; strengthen the agricultural base; revitalize industry; increase revenues; and increase GDP to 100 billion yuan, township enterprises' business income to 100 billion yuan, grain output to 10 billion kg, peasant's per capita income to 1,000 yuan, and local disposable financial resources to 10 billion yuan, the province's comprehensive economic strength has been greatly increased. This has laid a solid foundation for attending to the "three major tasks." Fourth, by paying close attention to building the infrastructure, the backward infrastructure situation has been greatly improved. Such key projects as the Taiyuan airport and railway station have been completed and put into operation. In particular, the Taiyuan-Jiuguan Expressway, which caused great concern among the masses, opened ahead of schedule, and smooth progress has been made in the project of diverting water from Huang He into Shanxi. This not only has created good conditions for attending to the "three major tasks" but more important, has greatly inspired people of the whole province. Fifth, through our endeavor in farmland capital construction, the construction of key projects, and the construction of highways, as well as our endeavors to curb inflation, strengthen agricultural foundation, revitalize industry, and increase revenues in recent years, contingents of cadres have been well trained. In particular, a number of excellent cadres who dare to fight and take on anything have come to the fore. They are the backbone forces for attending to the "three major tasks." Sixth, the correct leadership, enthusiastic care, and all-out support of the party Central Committee is a basic guarantee for the "three major tasks." In addition to the six advantages, three are also some advantageous conditions. The purpose of analyzing these situations is to remind all comrades to adhere to the viewpoint of dialectical materialism in practice, to see not only difficulties and problems but also advantageous conditions, and to never lose confidence when facing difficulties and problems. We should know that difficulties and problems always lie ahead of us at any time because even after original difficulties and problems have been resolved, new ones will emerge. Therefore, we should keep on fighting despite setbacks and advance courageously in the course of progress. I have always maintained that we should pluck up our courage and not be discouraged. So long as we conscientiously carry out the party's basic theories, line, and guiding principles; emancipate our mind; seek truth from facts; strengthen our confidence; and go all out, we can overcome various difficulties, really carry out the "three major tasks," and attain our given targets as scheduled.

II. Emancipate the Mind and Intensify Efforts To Attend to the "Three Major Tasks"

To emancipate the mind and seek truth from facts is an important guarantee for achieving success in our revolution and construction. To attend to the "three major tasks," we should emancipate the mind and renew ideas to a higher and more in-depth level. We should regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance, adhere to the criterion of the "three advantages," unceasingly do away with outmoded ideas, and firmly establish new ideas compatible with the developing situation.

We should further strengthen the concept of reform and opening up. Reform has been a major motivating force for the vigorous development of our undertakings since Shanxi entered a new historical period. Over the past few years, although there have been significant results in Shanxi's reform, our endeavors in reform has been insufficient. Therefore, we should exert more effort to promote reform. Only through reform can we further resolve various deep-seated contradictions and problems and remove obstacles so as to attend to the "three major tasks." Opening up to the outside world is also a kind of reform. The world today is seeing economic internalization and the vigorous development of a new technological revolution. Therefore, only by expanding opening up to the outside world and actively participating in international cooperation and competition can we develop and improve ourselves. To open our province wider to the outside world, we should not only use funds, advanced science and technology, and advanced management experiences from abroad to enhance the quality of economic growth, but we should also have maximum participation in international competition, establish good links with international markets, gear our production to market demands, and unceasingly increase economic efficiency.

We should fundamentally transform our concept of development. We should change the concept that emphasizes economic quantity and growth rates but neglects the quality of essential production factors and their utilization efficiency as well as the method and status for developing productive forces characterized by high consumption, bad quality, and low efficiency. We should work to enhance the quality of economic growth so as to achieve fairly good economic efficiency and promote economic development at a fairly high rate. Development should not just focus on growth rates and output values, and output values should not be the only criterion for judging whether an enterprise or a locality develops quickly or slowly and whether a cadre's achievements are big or small. Economic efficiency should be really put in first place in economic construction.

We should further define the concept of the market economy. We should further do away with the concept of planned and natural economies and establish the concept of a socialist market economy. We should prohibit a situation where what we say is the market economy but what we do is the way of the planned economy. While handling things in line with the market economy pattern, we should not only focus on whether products can be turned into commodities but also treat various resources and production conditions and deal with various contradictions from the viewpoint of the market economy.

We should firmly establish the concept of invigorating Shanxi through science and education. Science and technology are primary production forces, so top priority should be given to channeling the input of manpower and financial resources to their development. At the same time, we should realistically strengthen education and endeavor to train people with professional skills. By promoting scientific and technological progress and enhancing labor quality, we should increase the content of scientific and technological progress in economic growth.

The emancipation of the mind is a long-term task, so we should unceasingly renew our ideas in line with the development of actual conditions. In practice, we should pay attention to the unity of emancipating the mind and seeking truth from facts. To emancipate the mind, we should seek truth from facts, because only by seeking truth from facts can we emancipate the mind. To seek truth from facts, we should emancipate the mind because only by fully emancipating the mind can we seek truth from facts. The two cannot be separated. In brief, under the guidance of the ideological line of emancipating the mind and seeking truth from facts, we should realistically add impetus to our work and really attend to the "three major tasks."

III. Improve the Work Style and Realistically Carry out the "Three Major Tasks"

The fine style of work and a good mindset are important conditions for us to attend to the "three major tasks." At present, the practice of dealing with concrete work matters and the spirit of exerting genuine effort to do practical things prevails in the great majority of leading organs and cadres at all levels. But some leading organs and cadres still work in a perfunctory manner and pay no attention to actual results. Some leading organs and cadres are afraid of difficulties and arduous work and try to save themselves as much trouble as possible, so they just act in accordance with the regulations of higher levels. Some are irresponsible, inactive in dealing with things, and neglect their duties. Some do not hope to

distinguish themselves or are content with not making mistakes. They perform their duties in a perfunctory manner, and muddle along in their work. Some stand high above the masses, as well as pay no attention to making allowance for people's difficulties and caring for people's hardships. Some get bogged down in meetings, documents, and routine work and activities so that they fail to go down to grass-roots units to investigate and study. Some pay attention to showy things, but no attention to real work achievements. Some only speak loud, empty words, but take no action. Some only give general calls and pay no attention to specific guidance, or arrange tasks but pay no attention to supervision and inspection so that work cannot be carried out to the letter. Such unhealthy work styles adversely affect our work and impair people's undertakings, so we should be determined to overcome them. For this, we should do a good job in the "four prohibitions and encouragements."

1. We should strictly prohibit any shirking of responsibility and encourage a style of risk taking. Heightening spirit and actively working is not only an issue of work style, but also an issue of responsibility. Responsibility should be fostered by training the party spirit and the ideology of wholeheartedly serving the people. Shanxi is now at a crucial period of development, so leading cadres at all levels should shoulder a historical responsibility for attaining trans-century grand targets. Since the party puts us in such a position, and people have great expectations of us, we should have a strong sense of responsibility and mission, be bold in taking responsibility and blazing new trails, attempt and accomplish something, and make due contributions to invigorating Shanxi so as not to disappoint the party and people. I would like to earnestly remind all party committee members, secretaries, commissioners, and mayors of various prefectures and cities, and responsible comrades of all departments and units directly under the province that we are the core and backbone of Shanxi's modernization drive, so doing a good job in expanding opening up to the outside world, readjusting the structure, and tackling key problems on supporting the poor so as to effectively promote the province's economic development is our holy responsibility. So long as we are bold in taking responsibility, dare to do anything, advance bravely, pay no attention to personal gains or losses when developing the undertakings of the party and people, and exert real effort to resolve difficulties and problems whenever they arise, leading cadres at all levels and the broad masses of people will work as one with us to unceasingly open up a new situation and effectively promote Shanxi's modernization drive.

2. We should strictly prohibit formalism and encourage the style of working hard and earnestly. It is an arduous

job to attend to the "three major tasks." Only by being steadfast in our work and working hard and earnestly can we attain the expected targets. Leading cadres at all levels should endeavor to overcome the bad style of promoting work only in accordance with the regulations of documents and meetings, adhere to the world outlook and the methodology of dialectic materialism, and devote great efforts to implementing the work. We should overcome the wrong concept of evaluating work achievements only by the number of articles or meetings cadres have published or participated in, give top priority to practice, and focus on real achievements. We should overcome the wrong behaviors of resorting to deception, deceiving superiors, and deluding subordinates and should persist in exerting genuine effort to do practical things and strive for real effects. In brief, we should resolve to do our work realistically, do practical things, and manifest the spirit of hard, earnest work in practice and in various aspects of our work. Only in this way can we make real achievements and win the popular trust of the masses.

3. We should strictly prohibit working in an unspecific manner and encourage the style of working realistically and meticulously. Leading cadres at all levels should have the spirit and skills of giving specific guidance, resolving specific problems, and overcoming specific difficulties as well as unceasingly add impetus to work, and particularly to the implementation of work. They should not just be content with general plans, supervision, and inspection, but should exert the main effort to implementing work. We have conscientiously carried out various specific tasks defined by the provincial party committee; meticulously planned for curbing inflation well, strengthening the agricultural base, revitalizing industry, and increasing revenues; and strengthened guidance to the 50 pilot enterprises experimenting with the establishing the modern enterprise system. Therefore, we should also conscientiously carry out the various plans concerning expanding opening up, readjusting the structure, and tackling key problems on supporting the poor which are issued by this plenary session. We should endeavor to fulfill various tasks and give good guidance on various key points. Only in this way can we really achieve real effects in attending to the "three major tasks."

4. We should strictly prohibit standing high above the masses and encourage the style of going down to grass-roots units. Investigation and study is a method for planning and a basis for success. In order to attend to the "three major tasks" and push Shanxi's various tasks forward, we should energetically investigate and study. Leading cadres at all levels should spend more time at grass-roots units to find out the real situation and listen

to the voice of people. They should investigate and study in line with the instructions of higher levels and local conditions as well as investigate and study hot issues that are primarily the concern of the masses. We should be good at discovering and conscientiously summarizing the new experiences created by the masses, and put forward thinking and methods for resolving existing difficulties and problems. We should lay equal stress on general calls and specific instruction. We should go down to the front of production; give specific guidance on implementing major policy decisions; be good at discovering and establishing typical examples in reform and opening up, industrial restructuring, supporting the poor, and achieving common prosperity; and give guidance to the work in all areas by drawing upon experiences gained in the work of pilot units.

IV. Strengthen Leadership, Ensure That the "Three Major Tasks" Will Be Successfully Implemented, and Achieve Significant Results in These Tasks

Party committees and governments at all levels should put the "three major tasks" in the prominent position in the overall economic development situation and ensure that the efforts of leaders and cadres, relevant policies, and organizational measures will be put in place. We should establish and perfect a strict system in which leaders at all levels take responsibility for attaining given targets. Therefore, each level should assign tasks to lower levels as well as relevant departments of the province and various prefectures and cities. Relevant responsible persons should shoulder responsibility for their own tasks so that tasks, responsibility, and rewards and punishments can be defined. By presenting reports, circulating notices, and publishing in newspapers, which are methods for internal supervision of the party committee and the government, supervision of the entire work, and supervision of the masses respectively, various places and departments should account for the situation in fulfilling the "three major tasks" to people of the whole province at the middle and end of the year. Based on the situation in fulfilling tasks, we should encourage the good, criticize the bad, investigate and assign responsibility to those who fail to fulfill tasks, and never be overly lenient on them. For example, with regard to tackling key problems in supporting the poor, all poor counties should specify the period for eliminating poverty. Main party and government leaders who can fulfill their tasks may continue to take posts, but those who cannot should give up their positions. For counties that attain the target of tackling key problems in supporting the poor ahead of schedule and whose work has been checked and accepted by aid-the-poor departments at higher levels, the main leaders who shoulder responsibility should be commended and awarded, or have their

wages increased. Those who make significant achievements should be promoted to important positions. That means we should establish a strong motivating force and pressure so that able people can be promoted to important positions, mediocre ones will give up their positions, and incompetent ones will be driven out of office. At the critical moment in Shanxi's reform and development, we should never tolerate cadres who attempt or achieve nothing, but merely occupy a leadership position. The appointment of one cadre is aimed at encouraging, inspiring, and bringing along all other people, but is not to let cadres and people feel discouraged. At the same time, we should mobilize the enthusiasm of all social sectors and make a concerted effort to attend to the "three major tasks." Provincial relevant departments should actively do a good job in guiding, coordinating, supervising, and inspecting the work of expanding opening up to the outside world, readjusting the structure, and tackling difficult problems in supporting the poor. Propaganda departments should add impetus to publicity and focus the people's attention on the "three major tasks." Financial departments should give full play to the role of providing support and guarantees for credit, as well as render high-quality service for lending funds, managing foreign exchange business, and guaranteeing credit. The trade union, the Communist Youth League, the women's federation, and other mass organizations should give full play to their own advantages as well as guide and organize the broad masses of people to actively plunge into the struggle of attending to the "three major tasks."

In order to attend to the "three major tasks," we should always adhere to the guiding principle of "simultaneously attending to the two tasks and achieving success in both" in an endeavor to create a good political and social environment. First, we should energetically strengthen party building as well as make special efforts to attend to the work of building leading bodies at all levels and fighting corruption. We should stabilize the leading bodies of poor counties and townships and prohibit transfers of main leaders during periods when difficult problems in supporting the poor should be tackled. We should pay close attention to building rural party branches, as well as make special effort to do a good job in selecting secretaries of rural party branches who impartially handle matters, are in the prime of life, and who can lead the masses to common prosperity. This is the key to building rural grass-roots party organizations and steadily extricating rural areas from poverty. We should promptly reshuffle leading bodies at enterprises who are not good at management and leadership. In line with the plans of the party Central Committee, the State Council, and the Central Discipline Inspection Commission, we should hold high the banner of fighting corruption and con-

stantly exert genuine effort to attend to this. While consolidating the achievements made, we should intensively conduct the anticorruption struggle without slackening effort in the slightest. Second, we should strengthen the building of democracy and the legal system, pay close attention to improving public security, and safeguard social stability. Leading cadres at all levels, and main party and government leaders in particular, should consider improving public security their important political responsibility. They should also realistically do a good job in making local people prosper and safeguarding local stability when they are in office. Just like the struggle to "deal stern blows to crimes" in 1983, secretaries should personally take charge, the whole party should be mobilized, and entire political and legal departments should go into action. They should meticulously plan and take command, intensively carry out the struggle of "cracking down on gang crimes and wiping out social evil forces," and never slacken their effort until the arrogance of criminals has been punctured. Third, we should strengthen spiritual civilization; focus on ideological, ethic, and cultural construction; and strive to resolve some prominent problems and unhealthy trends in social life. We should adhere to the correct guidance of public opinion and further strengthen and improve ideological and political work in order to provide a strong spiritual motive force and intellectual support for the "three major tasks" and promoting economic development. Let us closely rally around the party Central Committee with Jiang Zemin as the core, unify ideology, make concerted efforts, do solid work, go all out, and work hard to realize Shanxi's trans-century grand targets.

PRC: Commentator on Qiancun's Degeneration of Power

SK0907021396 Taiyuan SHANXI RIBAO in Chinese
13 Jun 96 p 1

[Commentator's article: "Draw Lessons From One Instance — on the Lesson From the Degeneration of Political Power in Qiancun Village"]

[FBIS Translated Text] Hu Fuguo, secretary of the provincial party committee, went to Qiancun Village, Pinglu County, to poll its 628 households on building rural grass-roots party organizations and political power. He held a forum of veteran party members and cadres as well as representatives of the masses, and also held a mass rally. He expressed firm support for party members and people of the village in their unremitting struggle against Pei Anjun and his ilk, who had abused their power to do evil. This inspired the masses and was praised by them.

The building of rural grass-roots party organizations and political power is a matter concerning the prosperity of the country and peace of the people. Rural areas account for a larger part in the country. Only when this part of the country is stable will the entire country and the society remain stable, and will people live and work in peace and contentment. There are few cases like Qiancun Village, where political power degenerated, bad people are arrogant, and good people are bullied. However, lax rural party organizations and weakened political power do exist to varying degrees in some localities. This merits our deep thought and vigilance. We should learn a lesson from this case. Under the socialist market economy system, leaders at all levels must attach great importance to building rural party organizations and political power and never take things lightly when they are concentrating efforts on economic construction.

To strengthen the building of rural party organizations and political power, we should approach this issue from a political perspective. In the past few years, some comrades held that as they made economic construction the central task, they could have everything and feel relaxed as long as they promoted the economy. As a result, they relaxed or even gave up leadership in building grass-roots party organizations and political power. This is very wrong. The Qiancun Village case proved that without a good party branch and a good leading body, it is very difficult to promote the economy; even if the economy could be promoted temporarily, a problem may arise where a minority benefits and bad people would be in power while the majority and good people would suffer. In the new historical period, therefore, leaders at all levels should remain sober. Not only should they pay attention to and lay a solid foundation for the economy, but they also should attach importance to building rural grass-roots party organizations and political power.

In building rural grass-roots party organizations and political power, selecting people is an issue we should resolve well. The most serious problem in Qiancun Village's degeneration of political power was its neglect of politics when selecting and appointing cadres and its distortion of party requirements for cadres. Some charge saw only one side of Pei Anjun and his ilk — "daring to discipline" the subordinates and "obeying" the superior; defied their morality; ignored the masses' accusations about their evil-doings, such as corruption and riding roughshod over the masses; and even thought they were exactly the kind of cadres rural areas needed. This was an important cause of the degeneration of political power in Qiancun Village. Being revolutionary is the most important requirement of the "four requirements" of cadres. Some comrades, however, have treated this

requirement in an oversimplified manner. This is very dangerous. Leaders at all levels must have a very strong sense of political responsibility, strictly guard the pass of using people, and persistently select the worthy and promote the capable in line with the requirement for ability and political integrity. Only in this way can our political power be in the hands of reliable persons.

To successfully build rural grass-roots party organizations and political power, we should attach great importance to training young successors. In some rural areas, there is indeed a lack of successors. Judging from the case of Qiancun Village, all those who dared fight against the evil force of Pei Anjun and his ilk were veteran party members. None were young party members. The small number of young party members and the lack of fighting spirit call for great attention by party organizations at all levels. When strengthening the building of rural party organizations and political power, we must regard training and promotion of young successors as an important task and carry it out successfully so that young persons will be trained in practice, increase their abilities, and in particular will become politically mature as soon as possible. Only in this way can we have successors to carry on rural undertakings and make rural areas prosperous.

To successfully build rural grass-roots party organizations and political power, we should oppose corruption in a down-to-earth manner. Opposing corruption is a major political issue. The struggle between corruption and anticorruption, fundamentally speaking, is an issue of whether political power is weakened or consolidated. A failure to tackle corruption will lead to a change of color in the political power. The sharp conflict between anticorruption and resistance to anticorruption in our actual life is not only reflected in the difficulties in handling cases, but, more importantly, it results from obstacles in thinking. Some people regard wining and dining with public funds, unauthorized and excessive use of funds and materials, and pursuit of ostentation and privilege, which the masses hate most, as "opening-up" programs and nothing strange at all. They regard comrades who emphasize politics and principles as "conservative" and "stereotypical" people who cannot catch up with the "tide." This is very harmful to the anticorruption struggle. Therefore, we should eliminate all ideas resisting and obstructing anticorruption work if we are to succeed in opposing corruption and strengthen the building of rural grass-roots party organizations and political power.

To successfully build rural grass-roots party organizations and political power, leaders at all levels should firmly embrace the idea of the people's democratic dictatorship and lead the masses to resolutely fight against

all evil forces. In some rural areas, some cadres form factions and rely on family forces to control power and ride roughshod over others. Others act in collusion with unlawful elements to do evil and savagely oppress people. Places where such people monopolize power have lost almost all features of communist political power. Having no worries about these places, however, some leading comrades are bureaucratic to a serious extent and are far removed from the masses, pay no attention to civil affairs, and fail to effectively organize and lead the masses to fight evil forces. Such a situation should be changed. Leaders at all levels, especially top leaders, must stand at the front in the struggle against evil forces and set an example for party members and the masses.

To successfully build rural grass-roots party organizations and political power, we should explore new ways to build the party and political power well. Rural grass-roots party organizations and political power currently face many new conditions, new problems, and new contradictions requiring serious research. We should improve leadership methods, upgrade leadership art, and in particular conscientiously study and probe new methods to strengthen ideological and political leadership over building grass-roots party organizations and political power so that we can meet the needs of the great practice of reform and opening up.

PRC: Tianjin Plans Biggest Free Port in Region
OW1906125096 Beijing XINHUA in English
1227 GMT 19 Jun 96

[FBIS Transcribed Text] Tianjin, June 19 (XINHUA) — Tianjin Port aims to be built into the biggest international free port in North China.

Wang Side, Director of Harbor Administration of Tianjin Port, said Tianjin port and the Tianjin Bonded Zone plan to open a free port experimental zone in the northern part of Tianjin Port.

He said that first-phase construction of the free port will include the building of seven berths.

Tianjin Port also plans to build a dozen of 10,000-ton deep-water berths by the end of the century.

The official said he expects overseas as well as domestic businessmen to participate in the construction.

Tianjin Port, with 62 berths, is the largest port for international trade in North China. Forty-seven of the berths have a capacity of over 10,000-ton.

The annual cargo handling capacity of Tianjin Port is close to 58 million tons, of which 61 percent is for import and export goods.

PRC: High-Speed Passenger Shipping Line in Bohai Bay

OW2106045596 Beijing XINHUA in English
0345 GMT 21 Jun 96

[FBIS Transcribed Text] Yantai, June 21 (XINHUA)
— A high-speed passenger shipping line has gone into operation, linking Yantai, Lushun and Qinhuangdao, three major tourist cities on the Golden Triangle around Bohai Bay in north China.

A Norwegian-made passenger liner, New Century, is being used on the new triangular line.

The journey starts in Yantai on the Jiaodong peninsular to Lushun on Liaodong peninsular to the northeast of the former, then to Qinhuangdao in Hebei province to Lushun's southwest, and back to Yantai to the southeast.

The journey takes less than five and a half hours, about one fifth of a time the train journey takes.

The new line links up Penglai fairyland and Liugong Island on the south of the Golden Triangle, Dalian and Lushun on the north, and Beidaihe and Shanhaiguan Pass on the west, all famous tourist sites around Bohai Bay.

Taiwan: Vice Minister Urges U.S. To Strengthen Security Cooperation

OW1107113196 (Internet) Taiwan Central News Agency WWW in English 1101 GMT 11 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 10 (CNA) — Vice Foreign Minister C.J. Chen Wednesday [10 July] called for closer security cooperation between the United States and the Republic of China (ROC), saying that the U.S.-Taiwan Mutual Defense Treaty and the Taiwan Relations Act have helped ensure a steady economic and political development in Taiwan.

Chen said bilateral security cooperation will continue to be very important for the two countries, and for the Asia-Pacific region as well.

He made the remarks while addressing the opening of a seminar on Taiwan-U.S. security relationsponsored by Tamkang University.

Although the exchange of high-ranking officials between the U.S. and Mainland China has increased in recent years, Chen said he believes that Washington will hold firm to its security promises to Taiwan.

The passage of the Taiwan Relations Act in 1979 and the signing of the U.S.-Taiwan Mutual Defense Treaty in 1954, Chen said, have provided Taiwan with necessary security protection over the past. Without the two accords, Taiwan's development would not have been so smooth, he noted, adding that the ROC Government is very grateful for the support of the American government and people.

Chen said the presence of two U.S. aircraft carriers in waters near Taiwan in March when Mainland China was conducting a series of war games against Taiwan is further proof that the U.S. is concerned about the safety in the Taiwan Strait. Washington's decision to send the two ships is a reflection of the U.S. Government's determination to fulfill its security commitment to Taiwan, he pointed out.

On future cross-strait relations, Chen said the ROC Government will be very cautious in its dealing with Mainland China in order to avoid any military threat from Beijing.

Before the goal of peaceful unification is achieved, he said Beijing should realize that Taiwan needs a greater space in the international community for further development, which has nothing to do with independence.

Taiwan: Jason Hu Comments on Cancellation of Lake-Wang Meeting

OW1107113596 (Internet) Taiwan Central News Agency WWW in English 1102 GMT 11 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 10 (CNA) — The ROC [Republic of China] representative to the United States said Wednesday that the cancellation of a planned meeting between U.S. National Security Adviser Anthony Lake and Wang Daohan, mainland China's top liaison officer with Taiwan, might not be such a bad thing, as the meeting would probably be interpreted as the U.S. intention to interfere in cross-strait issues.

Jason Hu, who returned to Taipei July 4 to attend the opening session of the third National Assembly, made the remarks after meeting with Vice President and Premier Lien Chan.

Hu said Lien was concerned about Lake's just-concluded four-day Mainland China visit. "The premier asked me to look into the contents of Lake's talks with senior mainland leaders after I return to my U.S. post," he noted.

Hu said President Li Teng-hui and Foreign Minister Chang Hsiao- yen have also made similar instruction to him.

Hu said Lake's mainland visit is expected to help improve troubled Washington-Beijing relations, which will in turn contribute to Asia-Pacific stability and even to cross-strait rapprochement.

Lake was originally scheduled to fly to Shanghai Wednesday to meet with Wang Daohan, chairman of Mainland China's quasi-official Association for Relations Across the Taiwan Strait (ARATS), but canceled the trip for undeclared reasons. Lake instead flew to Bangkok to continue his five-country Asian trip.

Hu said he still has no knowledge about the true reasons behind the cancellation of Lake's meeting with Wang.

After returning to his U.S. post, Hu said he will try his utmost through proper channels to look into the contents of Lake's discussion with Beijing leaders, including President Jiang Zemin, Premier Li Peng, Foreign Minister Qian Qichen, and Defense Minister Chi Haotian. Hu will leave for the U.S. Thursday.

Lake said at the start of his mainland trip that he planned to meet with Wang Daohan to understand Beijing's fundamental attitude toward Taiwan.

Beijing unilaterally suspended regular dialogue between the ARATS and its Taiwan counterpart, the Straits Exchange Foundation, last summer to vent its anger at President Li's landmark visit to the U.S. in June 1995. Beijing interpreted the visit as a move to promote Taiwan independence.

Taiwan: Officials Report on MAC Head Meeting With Lord

OW1207090996 (Internet) Taiwan Central News Agency WWW in English 0817 GMT 12 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — The meeting between Chang King-yu, head of ROC's [Republic of China] top mainland policy body and Winston Lord, U.S. assistant secretary of state for East Asia & Pacific Affairs, was merely working-level contact, foreign affairs officials said Friday.

The officials denied reports that the chairman of Mainland Affairs Council [MAC] has acted as a "special envoy," or has special mission.

Noting that President Li Teng-hui, Vice President Lien Chan and other high-level officials have spoken on ROC's policy on cross-strait relations on several occasions, the officials said that Chang merely took the chance to elaborate on the policy and provide Lord with a deeper understanding of ROC's mainland policy.

The meeting reportedly took place in Washington D. C. before Lord accompanied U.S. National Security Adviser Anthony Lake to the Mainland China last Saturday for a fence-mending trip. Beijing-Washington ties chilled after a bitter row over copyright piracy and mainland's intimidating wargames held at Taiwan's doorstep early this year.

Chang left Taiwan in late June for a two-week visit of Canada and the U.S. to attend seminars and conferences. He is currently visiting in the Los Angeles, and is scheduled to return home Saturday night.

Foreign officials said that though the U.S. has learned well the government's mainland policy, Chang's meeting with Lord will surely help the U.S. understand more clearly about ROC's stance.

They stressed that the government has not deliberately arranged any meetings between officials of the two nations, the meeting hinged on the intention and time schedule of both sides.

They said that similar meetings will enhance understanding and Chang should not be seen as a "special envoy."

The officials also said that the U.S. will send an official who knew well of Lake's mainland trip to brief ROC Representative to the U.S. Jason Hu. But whether Lake or Lord will do the briefing has yet to decide.

Taiwan: Cooperation Agreement Signed With Lockheed After C-130 Sale

OW1207084896 (Internet) Taiwan Central News Agency WWW in English 0704 GMT 12 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — Lockheed Martin Aeronautical System of the United States signed an industrial cooperation agreement with Taiwan Friday in return for its purchase of eight C-130 military transport planes.

The offset agreement was inked by Yin Chi-ming, director-general of the ROC's [Republic of China] Industrial Development Bureau, and Lockheed Martin Vice Chairman Rick Hundley at the IDB office in Taipei.

Under the accord, Lockheed Martin will make offset technology transfer and purchases of Taiwan products worth about U.S.\$90 million, or 30 percent of total amount of the C-130 deal.

Lockheed Martin is expected to transfer to Taiwan technical expertise in avionics, engine, computer software, logistic support, propeller maintenance and designing of a computer-aided multimedia training system.

"The cooperative project will help enhance competitiveness of Taiwan's fledgling aerospace industry and contribute to its bid to become an Asia-Pacific manufacturing hub and aircraft maintenance center," Yin said at the signing ceremony.

Lockheed Martin is sincere in cooperating with Taiwan, Yin said, citing that the company had helped organize a dioxin testing and inspecting training program for local environmental inspectors before it struck the C-130 deal with the ROC Air Force.

The Texas-based aircraft manufacturer has signed another offset cooperative agreement with Taiwan in return for its purchase of 150 F-16 jet fighters. Under that accord, Lockheed Martin promised to purchase Taiwan-made products worth 10 percent of the total amount of the F-16 deal, and so far two-thirds of the promised purchases have been made.

'Taiwan: 'China Question' Versus 'Taiwan Question'

96CM0434A Taipei TZULI WANPAO in Chinese
12 May 96 p 5

[Article by Chung Ku (6945 0657): "How Strange This So-Called Taiwan Question!"]

[FBIS Translated Text] The PRC (abbreviated hereafter as "China") calls the "Taiwan question" an internal affair of "China," while the United States says that "it hopes that the Taiwan question will be settled peacefully." But while Taiwan's future seems to be an unsettled "question" in the international community, Taiwan's status quo is clearly that of a de facto sovereign and independent country. So I would ask, just how is it that the future of a sovereign and independent country is defined as an unsettled "issue" [or unanswered question] by the international community!

Taiwan's history as a "question" in the international community can be traced back to the 25 October 1971 UN resolution #2758 (26), or "the resolution restoring the rights of the PRC." This resolution clearly "recognized that the representatives of the PRC Government are the only legal representatives of China in the UN and that the PRC is one of the five permanent members of the Security Council, resolving to restore all of the PRC's rights, acknowledging that the representatives of its government are the only legal representatives of China in the UN, and immediately removing all of Chiang Kai-shek's representatives from their illegal seats in the UN and all affiliated organizations." Subsequently, Taiwan has been stripped of its international legal status, to gradually become a "question" in the international community. And in recent years, as "China" has grown ever more supremacist, plotting against us, and doing all possible to intimidate us through both propaganda attacks and military force, the "Taiwan question" has become an even greater focus of international attention.

But with the whole world talking about the "Taiwan question," could it be that independent Taiwan alone is not allowed to mention this "Taiwan question"! Strangely enough, this "Taiwan question" has been "cooked to a crisp" in Taiwan too, with the media speaking of the "Taiwan question, the KMT [Kuomintang] speaking of the "Taiwan question," the CNP [Chinese New Party] speaking of the "Taiwan question," and even the "Taiwan independence" DPP [Democratic Progressive Party] also speaking of the "Taiwan question," so that our whole society has been tossing the "Taiwan question" around. So with all in Taiwan's ruling and opposition parties calling their own country's future into "question," considering the history, this is absolutely not an isolated instance!

As to how the international community has acquired this "Taiwan question," there are two reasons: 1) Taiwan is not recognized in international law as having legal international status; 2) Both "China" and Taiwan say that Taiwan is part of China, both speaking of "one China," while "China" claims that the "Taiwan question" is an internal affair of "China," demanding that the countries with which it has diplomatic relations recognize, acknowledge, take notice of, or respect that "Taiwan is an inseparable part of the PRC." The first reason is the crux of the "question," which moreover has been created by Taiwan itself.

In fact, international law certainly does not provide that a country is not a country if it is not yet recognized or does not yet have established diplomatic relations with other countries, requiring instead that a country must have clear-cut limits to its territorial sovereignty, as well as observance of the exclusion principle that "a sovereign country has only one legitimate central government." And in October 1971, when the Taiwan Government was about to be expelled from the UN, if it had clearly declared its territorial sovereignty over the Taiwan, Penghu, Quemoy, and Matsu region, as well as renouncing its foreign affairs policy of "noncoexistence with Chinese traitors," Taiwan might still have been expelled from the UN, but would have still had its legal international status. So how could there have been today's "Taiwan question." But as the KMT administration was tied up in ideology, continuing to rant as always about "counterattacking the mainland to exterminate the Communist bandits," and still today claiming that there is only "one China" and that "Taiwan is part of China," with all in the international community holding that "the PRC is the only legitimate government of China," while "China" is also raising such a hue and cry, just how could the "Taiwan question" not have arisen. So it is thus obvious that the main reason for the "Taiwan question" in the international community is the KMT administration's dream of "reunification," with "China's" oppression being only secondary.

And as to why Taiwan has produced this "Taiwan question," there are also two reasons: 1) As the KMT administration was grounded in ideology, it downplayed itself, not holding that Taiwan was a sovereign and independent country, but rather leaving our international status hanging in an abyss of unification vs independence, to leave Taiwan's future in an uncertain status; 2) With the international community calling Taiwan a question, and "China" also calling Taiwan a question, all in Taiwan circles unconsciously started to actually treat the future of their own country as a "question," also calling Taiwan a question, to have unwittingly put their own country's security and dignity into a state of unam-

biguous uncertainty. But while the first reason remains the crux of the "question," continuing to call Taiwan a question ourselves is in any case unthinkable!

But in any event, as to today's Taiwan which is a de facto sovereign and independent country with democracy, territory, a government, and sovereign rights, where is there any "Taiwan question!" For the international community to treat "Taiwan" as a "question" is one thing. But for a member of this country of "Taiwan" to actually claim that my own country is in "question," which so underrates and denigrates my own country and, with nearly all in Taiwan doing so also, that is truly unique! With the KMT and CNP figures expanding our national sovereignty to include the sovereign territory of the two sovereign and independent countries of "China" and the People's Republic of Mongolia, it is no wonder that they do not recognize that their own country is a sovereign and independent one, rather loudly debating the so-called "Taiwan question." But for figures who have exposed Taiwan's sovereignty and independence to claim that "Taiwan is a question," is simply beyond all comprehension!

In fact, in today's Taiwan there is only a "China question," as "China" is breathing down our necks, dreaming day and night about taking over Taiwan. So unless the Taiwanese people face up to this "China question," instead of downplaying themselves to rant about some "Taiwan question," we are going to sooner or later end up in the net laid by that "China." And as to the countercurrents of the "Taiwan question" that still remain in the international community, we need to officially tell them that there is no "Taiwan question," only a "China question," as that supremacist "China" is threatening not only Taiwan's security, but also world peace. But the prerequisite remains that Taiwan has to stand up on its own, casting aside its association with that "China," to define the limits of our own country's territorial sovereignty. We need to declare to the world that we are a sovereign and independent country, not part of China. Only after which the noise about a so-called "Taiwan question" can be expected to subside, so that the "China question" can be faced up to squarely by all countries throughout the world.

Taiwan: Oil Exploration Agreement Reached With PRC

OW1107135396 (Internet) Taiwan Central News Agency WWW in English 1319 GMT 11 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 11 (CNA) — Taiwan's Overseas Petroleum Investment Co. (OPIC), an affiliate of the state-run Chinese Petroleum Corp.

(CPC), signed a contract with the mainland's China National Offshore Oil Corp. (CNOOC) Thursday to jointly explore oil reserves in the Taiwan Strait.

CPC Chairman Chang Tzu-yuan and CNOOC President Wang Yen inked the accord at the Grand Formosa Regent Hotel on behalf of their companies.

Chang said the signing of the pact is the fruit of years of bilateral efforts, and marks the beginning of substantive cooperation that will pave the way for long-standing mutually-beneficial ties between the two sides.

Wang, meanwhile, said the two sides should not let political disputes get in the way of cross-strait economic cooperation and development.

According to the contract, OPIC and CNOOC will each contribute U.S.\$500,000 for oil and liquefied natural gas exploration in the Taiwan Strait over the next two years.

The 15,400-square-kilometer target area lies 250 kilometers southwest of the southern Taiwan city of Kaohsiung and 150 kilometers south of Shantou City in the mainland's southern province of Guangdong.

Experts from both sides are optimistic about the prospects for the cooperative project, saying that the target area is rich in oil and liquefied natural gas resources. The seven fields found so far near the mouth of the Pearl River are expected to produce 10 million tons of petroleum for this year, they added.

XINHUA News Agency, citing CNOOC officials, said in a Beijing-dispatched report that the joint venture indicated that cross-strait economic cooperation has entered a higher level, laying a good foundation for future energy development between the two sides.

Taiwan: International Cooperation, Development Fund Inaugurated

OW1107152196 Taipei CHUNG-YANG JIH-PAO in Chinese 2 Jul 96 p 4

[FBIS Translated Text] The International Cooperation and Development Fund (ICDF), a corporate body, was established yesterday morning after its chairman, Foreign Affairs Minister Chang Hsiao-yen presided over the inauguration ceremony. ICDF Secretary General Luo Ping-chang said the foundation will propose a foreign aid strategy in three months to make our foreign aid operations more professional and transparent.

Luo Ping-chang emphasized: Seeking entry into international organizations is not the ICDF's main purpose. The foundation will do its best to make our foreign aid operations more professional and transparent. If we can maximize operational efficiency and achieve ultimate

results in assisting other countries financially, we will gain a footing in the international community. Thus, we will be able to take further steps to promote our foreign relations.

Luo pointed out that the foundation hopes to further cooperation with the European Bank of Recovery Development (EBRD), the Asian Development Bank, and the Inter-American Development Bank, adding that we will not discuss our participation in the World Bank until we make a success of our foreign aid operations and gain credit for the task.

As for how to broaden the foundation's income sources, Democratic Progressive Party lawmaker Chang Hsu-cheng proposed that a small portion of our export volume be allocated for its funds. Luo Ping-chang said Chang's proposal was not a bad idea.

Our country will grant a loan of \$7.5 million to Belarus, which will be cofinanced by the ICDF and EBRD. Luo Ping-chang said this is a good example and a smart approach because we can have a better understanding of Belarus from the EBRD's assessment report before formulating our aid program.

Taiwan: President Li Meets DPP Chairman for First Time

OW1107150196 Taipei CHUNG-YANG JIH-PAO in Chinese 2 Jul 96 p 1

[FBIS Translated Text] While meeting with Democratic Progressive Party (DPP) Chairman Hsu Hsin-liang at his official residence on the evening of 1 July, President Li Teng-hui emphasized he hopes that all political parties can strive for constructive, fair competition, so that the multiparty political system can be developed in a sound way. Li added what is most important is political stability because "the nation belongs to everybody."

According to ranking officials at the Presidential Office, it was Hsu Hsin-liang who took the initiative in requesting the meeting with President Li. Since the newly elected DPP chairman wanted to see President Li and Li has not met Hsu Hsin-liang, President Li held that his meeting with Hsu should be conducive to the normal development of a multiparty political system, based on the concepts of a multiparty political system.

President Li also heard Hsu Hsin-liang's views on the current political situation and future development of the state and society. In addition to emphasizing the sound development of a multiparty political system, President Li said: What is most important is political stability. Our people long for a stable political situation and environment. Our country will be full of promise and our people will have a bright future only when

we have a stable political situation and environment. Since the nation belongs to everybody, it is necessary that everybody works hand in hand to ensure national stability.

Tsai Pi-huang, director of the Kuomintang's (KMT) Cultural Affairs Department, said President Li's move to meet with the DPP's Hsu will help resolve the current political stalemate and has initiated benign interaction between the two parties.

When asked whether President Li will consider meeting with the leader of the other major opposition party, the New Party, another KMT senior official said that, at present, President Li has no such plan; however, this does not mean that President Li will not meet with the New Party leader.

***Taiwan: Poll on Lee Teng-hui's Likely Successor**

96CM0434B Taipei TZULI WANPAO in Chinese 15 May 96 p 1

[Report on independent public opinion poll by phone: "James Soong Ranks First in the Polls as Lee Teng-hui's Likely Successor"]

[FBIS Translated Text] With President Lee Teng-hui's inauguration on 20 May [1996], Taiwan politics will reach a new milestone. This milestone will not only be of historic significance, but will also set the stage for the basic Lee-Lien political framework to meet the challenge of leading Taiwan into the new century in the year 2000.

Our most recent public opinion poll involves the KMT's [Kuomintang] current prominent political figures asking, if President Lee decides not to run again, who is most likely to campaign for president on the KMT ticket? The polling data show that 30 percent (29.5 percent) hold that current Taiwan Governor James Soong will be the most likely KMT presidential candidate, with 25 percent (24.6 percent) holding that it will be Vice President Lien Chan, while Wo Po-hsiung [Interior Minister] is next (with 9.3 percent), and other possible candidates have 7.2 percent.

The polled public in the Taiwan region have expectations for President Lee, after his inauguration as a democratically elected president, regarding the new state of domestic and foreign affairs. The expectations are highly optimistic in crucial areas, with 57 percent (56.5 percent) being about the prospects of President Lee's new administration improving Taiwan's economic prosperity, 48 percent about better cross-straits relations, and 40.9 percent about a crackdown on syndicate [shady] politics. In contrast, only 21.5 percent, a much lower

percentage, were about the current "constitutional issues" that are in such urgent need of clarification.

This poll was conducted by phone on 10-13 May [1996], successfully polling 636 adults in the Taiwan region. It has an estimated reliability rating of 95 percent, with a sampling error of plus or minus 3.9 percent.

***Taiwan: Reflections on Lee Teng-hui's Inaugural Speech**

96CM0434C Taipei TZULI WANPAO in Chinese
21 May 96 p 3

[Article by Cheng Shau-chun (4453 4801 3196): "Lee Teng-hui's Inaugural Speech Was Full of Delaying Tactics"]

[FBIS Translated Text] With President Lee's inaugural speech disclosed a day in advance yesterday [20 May], it was as had been expected by outsiders, in that cross-straits relations and mainland policy not only was the focus of the last but one item, but also took up nearly one-third of the whole speech. This shows that President Lee certainly hopes to take advantage of the profound historic symbolism of the inauguration of Taiwan's first democratically elected president to announce our mainland-policy direction to the Beijing authorities, and to show our side's sincerity in wishing to break the cross-straits stalemate.

While President Lee's speech was unequivocal in declaring the ROC's [Republic of China] position, certain of its fine points also showed President's Lee's goodwill toward the Beijing authorities. With the PRC having narrowed the "one China" concept to "the PRC" alone, demanding that Taiwan return to "the one China," while the already fully democratic and legally sovereign country of Taiwan is naturally not going to underrate itself, neither did President Lee formally refute the PRC's unreasonable stand, merely dealing with it through evasive tactics.

President Lee declared five times in his speech the need to "pursue the grand cause of national reunification," emphasizing that Taiwan has no need or possibility of pursuing independence, and using "the ROC" instead of the customary government usage of "the ROC in Taiwan." He noted that Taiwan's inauguration of a democratically elected president shows that "the Chinese nation" has entered a new age, citing China's painful history of this century, and using words that appealed to national sentiments such as that he hoped that "Chinese helping Chinese" would replace "Chinese fighting Chinese," all of which was a euphemistic response to the PRC's "one China" demand. That should help considerably to ease the concerns of the Beijing authorities

that President Lee might be promoting "Taiwan independence" or an "independent Taiwan."

And President Lee's use of the term "my 21.3 million fellow countrymen" in his speech seven times also artfully pulled illusory national sentiments back to reality. In addition, as to the matter of his pragmatic diplomacy that the PRC is most concerned about, he did not ease up, rather explaining that Taiwan would not talk under the threat of force, and calling on the PRC to face up to the historic fact of cross-straits division and separate rule. This not only showed the world that "the ROC's future is that of a sovereign country," but also set forth solemnly once again Taiwan's fundamental position on cross-straits relations.

President Lee's inaugural speech also contained new substance on mainland policy. In addition to the area of ending cross-straits hostility, where he no longer made the precondition that "the PRC must promise to renounce the use of force against Taiwan," outsiders regarded the best-intentioned and breakthrough part as his statement that he was willing to go to the mainland on "a peace mission," to hold direct talks with the senior PRC leaders. While President Lee had always emphasized that a meeting with the leaders across the Taiwan Strait ought to be held in an international forum which would be more natural, he abandoned that position this time, taking the initiative to express his willingness to go to the mainland to talk, which was held by outsiders to be a clever move to toss the "ball" into the PRC's court. Indeed, as to this apparently best-intentioned toss of the "ball" by President Lee, while the PRC will probably have to make some sort of a response, that certainly does not mean that a meeting between the leaders across the Taiwan Strait is anywhere near. As President Lee attached the cachet to his "peace mission" that "it would have to be needed by the country, supported by the people," and "with the consensus and will of my 21.3 million compatriots," that suggests that any future visit would have to have the consensus of the domestic ruling and opposition parties, as well as cross-straits consensus on President Lee's status on such a visit. And while domestic consensus would be less of a problem, cross-straits consensus would involve a controversy over cross-straits sovereignty.

President Lee's meaning was quite clear, in that his status on a future trip to the mainland would have to be as "the president of the ROC," and that it would be unacceptable for the PRC to downgrade him to the status of a "regional leader." But the PRC had already made its position clear before the election, or that no matter who was elected in Taiwan, it would be impossible to change the fact that "Taiwan is only a region of China." And as

President Lee and Lien Chan recently stated openly to the outside world that "a breakthrough in cross-straits relations would have to wait until after the 15th CPC Congress, when Jiang Zemin's status was completely stable," that shows that the government certainly does not now in fact have a plan to sharply improve cross-straits relations. But President Lee's brilliant move in serving the PRC a "goodwill ball" that it cannot return gives the PRC no excuse to take extreme steps against Taiwan, leaving cross-straits relations in a so-so state of continued "delay."

Taiwan: Armed Forces Chief Promotes Enhanced Combat Preparedness

OW1107125196 (Internet) Taiwan Central News Agency WWW in English 1224 GMT 11 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 11 (CNA) — A top military officer said here that the armed forces will concentrate on the buildup of the second-generation warships and warplanes and the establishment of a comprehensive, modernized logistic support system to enhance its combat preparedness.

Gen. Lo Pen-li, chief of the General Staff, made the remarks Wednesday [10 July] when he addressed a "self-strengthening" military meeting at the Fu Hsing Kang College in Peitou on the outskirts of Taipei.

Lo said that the mission of the armed forces at the present stage is "protection and defense." In view of the fact that an island defensive warfare will be fast and brief, the reliance on logistic support will be essential. He said that the establishment of a comprehensive and modernized logistic support system is very important.

But he said that constrained defense budget and the shortage of military forces mean that the adjustment of armed forces structure is inevitable.

He cited statistics released by the Ministry of the Interior to show that the number of conscripts will be dramatically decreased in the next decade.

But an increase in salaries for military personnel and astronomical spending on the purchase and maintenance of second-generation warplanes and warships will strain the military budget, Lo said.

The biennial meeting closed Wednesday. During the past three days, the participants reviewed the current military preparedness. They also held panel discussions on major topics related to future military buildup, combat preparedness, personnel training and education, as well as defense technology research and development.

Taiwan: Training Center for Helicopter Pilots Planned

OW1207111196 (Internet) Taiwan Central News Agency WWW in English 0816 GMT 12 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — A training center will be established here to nurture pilots of helicopters and their maintenance personnel, an official of the Committee for Aviation & Space Industry Development (CASID) said Friday.

CASID Deputy Office Director Tang Feng said that CASID will pool the strength of the military, Civil Aviation Administration and the private sector to set up the center.

In view of a proposed plan to let helicopters enter into commercial passengers and cargo services, and the expansion of helicopter fleets of the air force, the demand for the helicopter pilots and its maintenance professionals will be great in the next few years, Tang said.

He said that CASID is now studying ways to transfer the advanced technology from overseas to the training center.

Tang said that the center will provide basic flying and maintenance training to suit the needs of the private and military as well.

He said that the private sector will follow the standards of the Federal Aviation Administration, while the military will set the standards based on its needs.

In contrast with the military, which mainly uses helicopters for training and reconnaissance flights, a private helicopter operator can have the maximum use in various aspects. They can carry passengers and cargoes or be rented for the use of local police, military or neighboring nations.

Hong Kong

Hong Kong: Officials Try To Revive Talks With U.S. on Textiles Dispute

HK1207075296 Hong Kong HONGKONG
STANDARD (BUSINESS) in English 12 Jul 96 p 1

[By Rodney Diola]

[PTS Transcribed Text for FBIS] The Hong Kong government yesterday said attempts were being made to revive talks on the US\$3.6 billion (HK\$28.08 billion) textiles dispute with US officials.

Trade negotiators last night flew to Christchurch, New Zealand, hoping to engineer a deal with US chief trade negotiator Charlene Barshefsky following the breakdown of two rounds of negotiations.

"We are still trying to engage the US," deputy director-general for trade Tam Wing-pong said.

Mr Tam admitted the government was unwilling to file its case against the US with the World Trade Organisation (WTO) immediately, saying it could involve a costly wait.

"If we take the WTO route, it could take 12 to 18 months of waiting. If it could be solved bilaterally, then that would be better," he added.

Mr Tam said that unlike a case filed against the US last year by Hong Kong, which it won, the latest dispute was "more complex".

"We feel the US is already outside the provision Agreement on Textile and Clothing finalised after the Uruguay Round," he said.

"We are aware of the (WTO) deadline."

Under WTO rules, trading partners should settle their dispute in 60 days.

Only then, if the matter has not been resolved, can the case be filed to the WTO's arbitrating panel.

Negotiations between Hong Kong and US customs officials started on 19 June.

Trade and Industry Secretary Denise Yue said yesterday that the negotiators would make clear to the US that while a bilateral settlement was preferred, it could not wait forever.

"Unless we have a positive response from the US within a reasonable period of time, we will have no option but to start formal WTO action," she said.

Hong Kong is objecting to new documentation requirements for its exports to the US market.

The requirements, which took effect last month, are, according to the US, a move to check the flow of Hong Kong exports mislabelled as having been made in the territory but which are actually sourced from China.

Ms Yue and Mr Tam left last night with outgoing chief trade negotiator Tony Miller and his replacement Alan Lai.

Hong Kong: Officials Avert WTO 'Showdown' With U.S.

HK1207075496 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
12 Jul 96 pp 1, 3

[By Duncan Hughes]

[PTS Transcribed Text for FBIS] Hong Kong trade officials yesterday made a last-minute decision to avert a showdown in the World Trade Organisation (WTO) over the multi-billion dollar textile dispute with the United States.

The Textiles Advisory Board recommended a return to the negotiating table in a final bid to make the US lift the tough controls on the territory's exports.

But Secretary for Trade and Industry Denise Yue, who is the board chairman, reaffirmed the Government's opposition to US policy as a potential breach of the territory's autonomy.

The US has imposed extra documentation requirements on textiles and clothes shipped from Hong Kong, alleging huge quantities of falsely labelled goods were evading quota restrictions.

The rules, which will take effect from July 17, cover textiles and clothing worth about \$3.5 billion, or 9.6 per cent of the territory's textiles and clothing exports.

Hong Kong trade officials have refused to allow US officials to make unannounced inspections of Hong Kong factories to confirm there are no illegal transshipments.

Legislative councillors earlier this week called on the Government to take the row to the WTO for an independent ruling.

Ms Yue said: "We want to cooperate with the US to enhance our common efforts against illegal transshipment and remain willing to discuss other ways of co-operation in place of joint verification and other unilateral measures that the US has imposed on us."

"We will therefore repeat these points to the US and hope that they can understand our position and agree to further consultations on the basis of such understanding."

so that the two sides can come to a mutually acceptable solution.

"We will also tell the US that in view of the increasing adverse impact on our trade as a result [as published] of the US measures, we are anxious to take the next steps to protect our trading interests as soon as possible."

Ms Yue said the Government would resort to the WTO if an acceptable bilateral solution cannot be found to the impasse.

"Unless we have a positive response from the US within a reasonable period of time, we will have no option but to start formal WTO action without any further delay."

The first round of talks between the two sides in Hong Kong ended in stalemate. A failure to reach agreement would result in the second WTO hearing involving both parties.

Last September, the WTO Textiles Monitoring Body in Geneva ruled in the territory's favour over the US restraint of territory exports of wool woven shirts and blouses.

Hong Kong: U.S. 'Free-Rider' in WTO Financial Services Talks

HK1207090396 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 12 Jul 96 p 10

[By Duncan Hughes]

[PTS Transcribed Text for FBIS] A senior trade official yesterday accused the United States of taking a free ride in crucial World Trade Organisation [WTO] talks on liberalising services.

Tam Wing-pong, Deputy Director-General of Trade, said the Government was disappointed at the lack of progress in liberalising the services sector but would continue to push for reform.

Mr Tam was speaking at a Rotary Club of Hong Kong luncheon on the eve of his departure for the Asia-Pacific Economic Co-operation (Apec) trade ministers meeting in New Zealand. He will be joined by senior Hong Kong officials, including the Secretary for Trade and Industry, Denise Yue, to help formulate initiatives on trade and investment liberalisation.

The territory's service sector last year generated more than \$482 billion, or about 80 per cent of gross domestic product. It is a growth sector and accounts for about 20 per cent of all international trade.

Mr Tam said attempts to liberalise the global trade in services in four key areas—movement of natural persons, financial services, telecommunication services

and maritime transport services—had been frustrated despite a broad consensus on the need for change.

"I could understand why many developing economies are still reluctant to open their service market for fear of irresistible invasion by foreign and more advanced suppliers which would overwhelm their newly developed industries.

"This is particularly relevant to financial services, basic telecommunication services and maritime transport services where huge markets are involved.

"And yet the main purpose of the General Agreement on Trade in Services is just to overcome such problems to help forge a free service market."

Mr Tam questioned if the time was right for fully fledged multilateral agreement on these sectors.

"Another observation is that the extended negotiations were carried out sector by sector, quite unlike the comprehensive negotiation adopted during the Uruguay Round.

"While this sectoral approach could allow greater focus on liberalisation of that particular sector, it also reduced the scope for compromise through give and take across different sectors."

He said that talks to liberalise financial services could have been scuppered by the US but for an interim agreement whereby participants, including Hong Kong, made binding offers to provide access to their markets on a most favoured nation basis despite the non-participation of the US.

"In other words the US became the biggest free-rider in this sector although the US has in the past been very critical about free-riders in other trade negotiations."

Hong Kong: Lu Ping Assures Right of Abode for HK People

HK1207033296 Hong Kong WEN WEI PO in Chinese 11 Jul 96 p A11

[Dispatch by staff reporter Li Hsiao-ping (2621 4562 0393): "Lu Ping Affirms Hong Kong Permanent Residents Will Enjoy Right of Abode After 1997"]

[PTS Translated Text for FBIS] Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, said today that the Chinese Government is approaching the Canadian Government through diplomatic channels to request visa-free access for holders of Hong Kong Special Administrative Region [SAR] passports. China hopes the two sides will reach an agreement on this issue. The Canadian ambassador to China also told Lu Ping when they met a few days ago that he thought

Canada would not have a problem with this request, he added.

Lu Ping also affirmed that Hong Kong permanent residents will enjoy the right of abode after 1997 and can come and go free of restrictions, adding that Hong Kong and Macao compatriots will be allowed to visit the mainland according to relevant laws and regulations.

Lu Ping met with the visiting delegation from the Hong Kong Alliance of Chinese and Expatriates headed by Guy Lam Kwok-hung this morning. The two parties exchanged views on the SAR passport, the status of returning emigrants, and Hong Kong people's visits to mainland after 1997.

Lu Ping said the Chinese side is approaching foreign countries through diplomatic channels to request visa-free access for holders of SAR passports in the hope that an agreement will be reached on this issue. He touched upon this issue when meeting with the newly appointed Canadian ambassador to China, Howard Balloch, yesterday. The ambassador predicted that SAR passport holders could visit Canada without visas in the future. The Canadian official had raised concerns about whether Hong Kong people who committed crimes in Canada would be allowed to be sent back to Hong Kong. In reply, Lu Ping said that according to the Basic Law, Hong Kong people holding SAR passports are Hong Kong permanent residents. These people enjoy right of abode in Hong Kong and can go and come at any moment, so the SAR Government cannot refuse to accept them.

Lu Ping explained in detail to the visiting delegation the interpretation given by the National People's Congress Standing Committee on the enforcement of the Chinese Nationality Law in Hong Kong. He said Hong Kong people holding foreign passports who have settled down in Hong Kong are allowed to retain their status as Hong Kong permanent residents and will continue to enjoy rights to enter Hong Kong, work, vote, stand for election, and so on after 1997. Migrants returning to Hong Kong after 1997 can make a choice of their own free will. If they declare themselves foreign citizens, they can enjoy consular protection in Hong Kong and on the mainland; otherwise, they can work and live in Hong Kong as permanent residents, their foreign passports will be regarded as travel documents, and they can travel abroad on these documents, but they will not enjoy consular protection. It is neither possible nor necessary to conduct territory-wide investigations to find out who is a foreign passport holder or not, and granting Hong Kong people right to choose nationality is an appropriate solution in line with Hong Kong's actual conditions. A precedent has been set in the Sino-British

Joint Declaration. According to the declaration, the Chinese Government did not recognize the BDTC [British Dependent Territory Citizen] passport, considered Hong Kong compatriots holding the passports as Chinese citizens, and allowed them to travel abroad on the passports. The current interpretation on the nationality law also solves the issue concerning the nationality of Hong Kong compatriots in the same way, which is fairly flexible. The general guideline aims to make things more convenient for Hong Kong people leaving and coming back to the territory. Lu Ping said that when he met with Canadian Congressman Chen Cho-yu earlier, he had explained this matter to Chen to help him better understand the issue of Canadian citizens' right of abode in Hong Kong. The Canadian ambassador also said yesterday that Hong Kong people holding Canadian passports should make up their minds whether they want to be Chinese or foreign nationals after the handover. They are not allowed to say "they are Chinese on Monday but Canadian on Tuesday."

Lu Ping reiterated that the Chinese Government does not recognize British passports granted under the "nationality scheme." Hong Kong people holding these passports are regarded as Chinese citizens. If they are Hong Kong permanent residents, they are entitled to apply for SAR passports. These people, however, cannot be appointed chief executive or principal officials of the SAR as stipulated by the Basic Law, because these people have the right of abode in foreign countries.

With respect to the delegation's wish that the nationality law be amended to allow Hong Kong permanent residents to acquire dual nationality, Lu Ping made it clear that the Chinese Government does not recognize dual nationality. This position was taken upon consideration of the view of countries in Southeast Asia, so the nationality law cannot be altered. Concerning the delegation's proposal that the post-1997 deadline for Hong Kong people registering their status as foreign nationals be postponed two and a half years so that emigrants coming back to Hong Kong to settle down in 1998 and 1999 will retain their permanent citizenship, Lu Ping said this should be decided upon by the SAR Government and hoped the problem will be handled in a flexible manner.

When commenting on Hong Kong people's visits to the mainland, Lu Ping said the matter is governed by the "Immigration Control Ordinance," adding that anyone complying with the regulations is allowed to come in and go out. The confiscation of the home-visit permits of eight Hong Kong people trying to force their way into Beijing was in accordance with the relevant regulations. Hong Kong people have no need to worry about their

entry into and exit from the mainland, because the relevant regulations will remain valid after 1997.

Lu Ping said the concept of "one country, two systems" was initiated to settle the Taiwan issue, but it first applied to the Hong Kong issue. He believed that Hong Kong's return to the motherland after 1997 will prove with facts that the concept is a real guarantee rather than empty talk, thereby providing a good example for settling the Taiwan issue.

Hong Kong: Patten Outline's UK Responsibilities Toward Hong Kong

MS1107091896 London *THE TIMES* in English
11 Jul 96 p 13

[Report by Michael Binyon and Jonathan Mirsky: "Patten Says Britain Will Safeguard Hong Kong Rights"]

[FBIS Transcribed Text] Hong Kong — Britain will have an enormous economic interest in the future of Hong Kong as well as a moral responsibility, even after the loss of sovereignty Chris Patten, the colony's Governor, said yesterday.

"Britain has a massive stake in Hong Kong. We have 70 billion pounds invested there. Our exports to Hong Kong worth nearly 3 billion pounds per year — are three times the value of our exports to China. There are around 200,000 British citizens in Hong Kong."

He said the colony was the hub of Britain's commercial drive into Asia and China, the fastest-growing markets in the world. "So our responsibilities in Hong Kong aren't simply a matter of tying up the loose ends of Britain's past. Whether Hong Kong succeeds or fails matters to Britain's, and indeed Europe's, future in Asia," he said in a speech to the Centre for Policy Studies.

Britain's moral responsibility was to assess what happened in Hong Kong after the handover and compare this scrupulously against the provisions of the 1984 Joint Declaration.

Had neither Britain nor China recognised that responsibility, he added, "there would frankly have been no point at all in the Joint Declaration. We would simply have packed our bags, made our excuses and left".

Mr Patten insisted also that until June 30, 1997, Britain would defend "actively and constructively" the values and institutions incorporated in the Joint Declaration's legal prose — such things as a meritocratic Civil Service that was politically neutral, an independent judiciary, freedom of speech, worship and assembly, and accountable government.

He rejected suggestions that he should abandon his attempts to broaden democracy in the colony because China disliked what Britain and Hong Kong had done.

"I do not find this argument remotely persuasive. If we were to throw in our hand on this, what would we ever make a stand on? What then would be the basis for us blowing the whistle if things went wrong elsewhere, for example over the protection of Hong Kong's civil liberties?"

Challenging Chinese leaders who, he said, had conceded that there could be only one Legislative Council before 1997, he added: "If they then destroy a Legislative Council which was freely and fairly elected by record numbers of people, they will have to justify their actions, demonstrate their legality and defend the credibility of whatever replacement is proposed."

Mr Patten poured scorn on any "dishonourable enterprise" that involved tampering with the Joint Declaration to water down its commitments in the interest of better relations with Beijing. This might be camouflaged in intellectual justifications and world-weary *raison d'état*, he said. A "colourful case" could be made out that it would in the long run be better for Britain to break its word.

"I'm glad to say that neither the British Government nor its political opponents seek to make such a case. We stand by what we negotiated and what we promised in good faith." He defended what he called "our pretty cautious attempts" to fulfil these promises.

Mr Patten said that it was China which was attempting to politicise Hong Kong's Civil Service, school books, media, courts and business. China's leaders "are sensible enough to know that any of this would be crazy".

He suggested that Chinese officials who demanded shows of political loyalty from every section of life in Hong Kong were doing so without the sanction of Beijing's supreme leadership.

Hong Kong: Top Police Officers Face Leave Restrictions Near Handover

HK1207074496 Hong Kong *SOUTH CHINA MORNING POST* in English 12 Jul 96 p 1

[By Stella Lee]

[PTS Transcribed Text for FBIS] Police chiefs are planning to curb leave for top officers in the six-month period straddling the handover because of fears there might not be enough experienced men to maintain law and order.

A confidential paper issued to senior officers warns of particular security issues at the time of the change of

sovereignty which could call for the deployment of all officers.

It couples this with concerns about a recent exodus of experienced officers and the ability to manage the force during a sensitive period.

The three-page document proposes that officers ranked chief inspector and above should not be allowed to take leave for a period of more than four consecutive days in June and July next year.

Throughout this period, it recommends that all key operational posts are fully manned and no leave be permitted on June 30 and July 1.

Assistant Commissioner Dick Lee Ming-kwai said about 1,000 officers could be affected by the proposal, although it is hoped that the restrictions will not apply to junior staff.

The handover apart, the document also highlights the need for maximum police presence for a World Bank Conference on September 25 and the first National Day under the Special Administrative Region on October 1.

It says "due cognisance should be given to the expected departures of personnel which would have the combined effect of disruption and loss of experience".

"Operationally, the force will be fully committed both in the planning and execution of activities associated with events falling on or around these dates, in addition to normal day-to-day work.

"The significance of the events, and the need for ensuring the confidence of all in a stable Hong Kong, dictate that the force is fully prepared and staffed during this period against the public perception of a significant loss of staff and experience within the force both now and in the run-up to the transition."

It accepts that imposing the curbs could further sap morale, but adds that if early notification is given, and the policy is implemented fairly, this should be avoidable.

It also points out that most officers are likely to want to be in Hong Kong anyway to witness the historic events.

Acting Senior Assistant Commissioner (Operations), Benny Ng Ching-kwok, said the loss of experience in the force meant it was necessary to plan well ahead to ensure enough men were in place to handle the occasion.

"The focus of the world will be on Hong Kong. We have to assure the public and the world that Hong Kong is safe and stable," he said.

Asked if the plan showed the police were gearing up for trouble during the handover celebration, Mr Ng said: "We always prepare for the worst and hope for the best."

Some officers are privately puzzled by the move in the light of recent public denials by Commissioner of Police Eddie Hui Ki-on that the pre-handover departure of senior officers presented any major problems for the force.

However, most seem to support it.

A Superintendents' Association spokesman supported the proposal, while the chairman of Expatriate Inspectors' Association, Robin Jolly, said: "It is a prudent precautionary measure. Many officers with children usually like taking leave during summer holidays."

Hong Kong: Beijing 'Has Ruled Out' Anson Chan as Chief Executive

HK1207065296 Hong Kong HONGKONG
STANDARD in English 12 Jul 96 p 1

[By David Healy in London and HONGKONG STANDARD Political Desk]

[PTS Transcribed Text for FBIS] Beijing has ruled out Chief Secretary Anson Chan Fang On-sang for the job of chief executive, even though she is the firm favourite for the post among Hong Kong people.

Mrs Chan admitted to British officials during her visit to London earlier this month that she had been told by Chinese officials that she would not get the job.

British sources said the Chinese officials acknowledged she was qualified for the job and that she also had the advantage of being Chinese, but she was "too Westernised".

The news, given to the British sources who spoke on condition of anonymity, surprised officials. They said they had believed that she would automatically get the job.

Mrs Chan told them she had no idea who would be given the post. The news dismayed her British hosts, who had thought that her appointment would contribute significantly to Hong Kong's stability after the transition.

They now fear a hardliner nominated by Beijing will take over the post.

The news came as no surprise last night to many in the pro-China camp, especially those in the Preparatory Committee, which is already setting up the post-transfer government.

A pro-China businessman recalled that when a group of Hong Kong people, visiting Beijing earlier this year, mentioned her candidacy to Hong Kong and Macao Affairs Director Lu Ping, he snapped back: "Only foolish people put her on a pedestal."

Most pro-China people firmly ruled out her chances of getting the job after her surprise Beijing visit last year which failed to win any endorsement, official or otherwise.

There have been other indications since. In her second visit earlier this year, she had expected to meet an official higher than Mr Lu. On her last day she had kept herself available, even delaying her return by several hours. But no meeting materialised.

Another indication was Executive Councillor Jimmy McGregor's recent declaration of support for shipping tycoon Tung Chee-hwa for the job. Mr McGregor is regarded by the business community as Governor Chris Patten's point man. Mr Patten had been quietly pushing Mrs Chan's candidacy. Mr McGregor's backing for Mr Tung seemed to indicate that he realised Mrs Chan was out of the running.

A more telling indication came from Mr Lu himself last week when he said Britain might create more problems over the choice of a chief executive.

The news was also no surprise to some top civil servants who have privately said that Beijing regards Mrs Chan as "too pro-British" and that mainland officials only want her to stay on as Chief Secretary to see through the handover.

Others in the pro-China camp say she did herself no favours by her recent statement that whether she remained at her job would depend on the choice of chief executive. Chinese officials had seen this as a thinly veiled form of blackmail.

Hong Kong: Local XINHUA Foreign Affairs Department 'Will Be Abolished'

*HK1207073996 Hong Kong HONGKONG
STANDARD in English 12 Jul 96 p 4*

[Unattributed report]

[PTS Transcribed Text for FBIS] Xinhua News Agency's foreign affairs department will be abolished—and the whole organisation could be reformed—after the handover, deputy director of Beijing's Hong Kong and Macao Affairs Office Cheng Shousan said yesterday. Functions of the foreign department would be transferred to the Chinese Foreign Ministry's Hong Kong office. Xinhua could be a link to central government.

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